ANNUAL REPORT 2016

GREENTECH ENERGY SYSTEMS

Our vision

A leading green player generating
and distributing renewable energy
preserving the environment
and contributing to a world
sustainable growth

MANAGEMENT REVIEW

STATEMENT AND REPORT

FINANCIAL STATEMENTS

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2016 In outline

+5%
Net production
of 372.4 GWh compared to 354.1 GWh in 2015

EUR 59 M
Revenue*
in line with 2015

* Including Associates

EUR 5.5 M
PROFIT
compared to EUR 1.3M in 2015

69%
EBITDA margin**
compared to 64% in 2015

** Including Associates and excluding Special Items

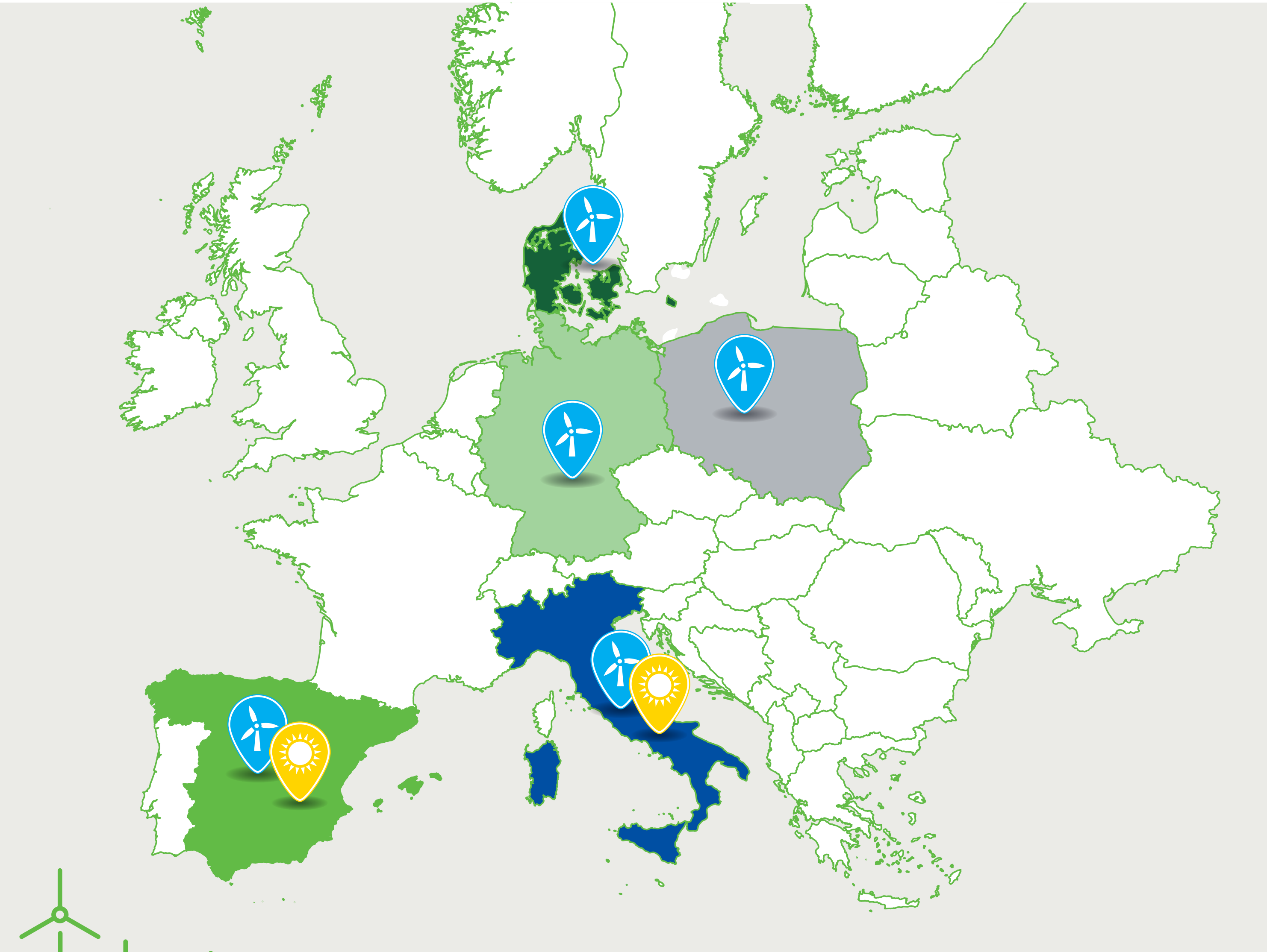
Climate and environmental achievements

Greentech's gross production supplied 148,000 families with clean energy in 2016

Greentech's gross production reduced the CO_2 emissions by approx. 236,000 tons in 2016 equalling the elimination of emissions from more than 98,000 cars

Geographical presence

303 MW Gross installed capacity in **5 Countries**



WIND

Installed capacity: **263 MW (213 MW net)**

ITALY	73%
SPAIN	11%
GERMANY	9%
DENMARK	6%
POLAND	1%

SOLAR

Installed capacity: **41 MW (41 MW net)**

ITALY	76%
SPAIN	24%

Refocusing strategy for a prospective return

The year 2016 was characterised by important steps and achievements in the long-term conversion of energy systems towards green and sustainable energy through an ever-increasing use of renewable energy worldwide.

The UN climate negotiations (COP22) were held in November in Marrakech (Morocco), where negotiators agreed to finalise the rules of the Paris Agreement by 2018 and developed a clear roadmap to meet that deadline. Climate talks confirmed the strong commitment to international climate action.

Worldwide investments in clean energy fell in value by 18% from 2015's record high, due to continuous decreases in equipment prices, especially in the solar sector, but the amount of wind and solar connected to power grids around the world increased by 6.6% in 2016. Furthermore, 2016 was also a record year for offshore wind power, despite the fall of oil prices, with 40% increase in capital spending commitments up to $29.9bn. Even Europe recovered from its previous trend and increased its investments in renewables by 3% in 2016. The renewables sector is growing steadily.

In an unpredictable, yet prosperous, scenario, Greentech has taken important steps to refocus the Company's activities as to gain additional strength and stability. In particular, the divestment of the remaining Polish development portfolio and the definitive exit from the environment business through the sale of Gruppo Zilio, have reduced Greentech's risk exposure.

At the same time, the re-positioning strategy continued through a first portfolio rotation, where a less profitable asset was replaced by an operating one with short-term accretive returns for the shareholders: Greentech divested the Spanish Fotocampillos solar plant (2.10 MW) and gained full ownership of the Spanish La Castilleja solar plant (9.8 MW), increasing the net production capacity by approximately 3 MW.

The portfolio rotation may continue in the following months while the Management Board explores new opportunities for joining forces with peers in order to increase the installed capacity and improve the value creation for the Shareholders.

LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

The financial performance for 2016 confirms the positive trend already sketched in 2015. Despite a negative trend in energy prices , the increased efficency of the organisation and the reduction in the Italian property tax allowed to secure the EBITDA at EUR 30.4M (40.6M including Associates), as per Outlook. The EBITDA margin (including Associates) has improved from 64% to 69% (see Outlook for 2017, p.11). The changes in our perimeter of activities were substantially neutral on our Income Statement and we can consider that Greentech's performance is clearly reflected in the Net Profit of EUR 5.5M, which underlines the strength of our core business.
From a cash stand-point, the core business generated EUR 7.1M compared to EUR 1.3M in 2015.
Based on the level and the stability of these indicators, the Board of Director is glad to propose to the Annual General Meeting the distribution of a dividend of approximately EUR 2.2M (see Shareholder information, p. 41).

In 2016, Greentech's major shareholders changed their significant holdings: GWM Renewable Energy II reduced its ownership to 50.72% of the share capital through the exit of the indirect shareholders Pirelli and Intesa San Paolo, and GWM SIF reinforced its position as major shareholder increasing its ownership to 29.1% of the share capital.

In 2016, the renewable energy gross production provided by the Company has satisfied the energy requirements of more than 148,000 families, resulting in energy savings of 607,000 barrels of oil and almost 236,000 tons of CO_2.

On behalf of the Board of Directors and the Management Board we take this opportunity to thank you all, as well as our partners and employees, for your support and we confirm our commitment in making Greentech growing even stronger in the coming years.

PETER HØSTGAARD-JENSEN
Chairman of the Board of Directors

ALESSANDRO REITELLI
Chief Executive Officer

Our strategy

Greentech aims to deliver a long-term stable stream of dividends to its shareholders

The 4 pillars are:

- Continuous improvement in profitability through cost control and discipline in managing the assets
- Focus on our core business: solar and wind technologies
- Portfolio rotation with accretive assets
- Corporate M&A as to deliver quick synergies

Our vision

Our vision is to become a leading green player that generates and distributes renewable energy while preserving the environment and contributing to a world sustainable growth.

MANAGEMENT REVIEW

GREENTECH ANNUAL REPORT 2016

Financial highlights
of the Group

EUR'000	2016	2015	2014*	2013	2012
Income statement					
Revenue	46,586	47,321	50,819	59,080	56,906
Gross profit	20,534	18,894	17,996	21,486	23,451
EBITDA **	30,411	29,341	32,249	32,761	28,884
Gain from a bargain purchase	3,722	-	-	-	-
Earnings before interest and tax (EBIT) before impairment	17,667	12,121	9,642	12,861	10,352
Net financials	-8,522	-10,205	-11,645	-10,843	-11,666
Profit/loss for the year from continuing operations	11,399	4,292	-19,741	-	-
Profit/loss for the year from discontinuing operations	-5,864	-2,948	-4,650	-	-
Profit/loss for the year	**5,535**	**1,344**	**-24,391**	**1,398**	**-13,274**
Comprehensive income for the year	**6,590**	**2,590**	**-31,216**	**8,599**	**-23,969**
Balance sheet					
Non-current assets	371,636	350,334	372,293	413,640	432,250
Current assets	57,014	53,134	66,845	67,891	68,601
Assets classified as held for sale and discontinued operations	2,218	10,941	900	771	1,971
Total assets	**430,868**	**414,409**	**440,038**	**482,302**	**502,822**
Share capital	71,623	71,623	71,623	71,623	71,623
Equity	**198,421**	**191,831**	**189,441**	**220,705**	**212,106**
Non-current liabilities	157,882	152,527	173,002	219,399	228,637
Current liabilities	72,347	66,995	77,595	42,198	62,079
Liabilities classified as held for sale and discontinued operations	2,218	3,056	-	-	-
Net working capital (NWC)	14,392	12,784	15,071	20,030	13,942
Cash flow					
Cash flow from operating activities	16,155	12,135	16,659	16,028	1,270
Cash flow from/used in investing activities ***	3,160	2,917	-30	-17,589	10,522
Of which investment in property, plant and equipment	-3,312	-1,070	-1,409	-21,651	-11,506
Cash flow from financing activities	-13,724	-17,010	-17,626	-2,126	-8,461
Total cash flow from continuing operations	7,108	1,312	-974	-	-

EUR'000	2016	2015	2014*	2013	2012
Total cash flow from discontinuing operations	-1,517	-3,270	-23	-	-
Total cash flow	**5,591**	**-1,958**	**-997**	**-3,687**	**-17,713**
Key figures					
Gross margin before impairment	44.1%	39.9%	35.4%	36.4%	41.2%
EBITDA margin**	65.3%	62.0%	63.5%	55.5%	50.8%
EBIT margin******	37.9%	25.6%	19.0%	21.8%	18.2%
Equity ratio	46.1%	46.3%	43.1%	45.8%	42.2%
Return on invested capital (ROIC)	6.3%	5.0%	-1.4%	3.1%	1.8%
Return on equity	2.8%	0.7%	-11.9%	0.6%	-5.9%
Gearing ratio	0.8	0.8	0.9	0.8	0.9
Per share figures					
Average number of shares, 1000 shares	101,367	101,367	101,394	101,404	101,404
Number of shares at the end of the period, 1000 shares	101,367	101,367	101,367	101,404	101,404
Earnings per share (EPS basic), EUR from continuing operations	0.11	0.04	-0.19	-	-
Earnings per share (EPS basic). EUR after discontinued operations	0.05	0.01	-0.24	0.01	-0.13
Net asset value per share. EUR	1.96	1.89	1.87	2.18	2.10
Price/net asset value	0.45	0.46	0.52	0.72	0.65
Actual price earnings (P/E Basic)	16.08	66.23	neg.	113.88	neg.
Dividend per share	-	-	-	-	-
Payout ratio (%)	-	-	-	-	-
Market price year end EUR	0.88	0.88	0.98	1.57	1.35
Average number of employees ****	52	65	78	79	88
Number of employees *****	50	57	78	78	82
Of which consultants	1	1	5	9	8
Of which employees under notice	2	2	10	-	1
Key figures related to operations					
Production in GWh	372.4	361.4	387.6	405.2	361.2
of which Associates	74.0	68.7	81.3	87.6	83.0
Net capacity (MW)	254.0	251.2	257.9	257.9	257.2
of which Associates	49.5	54.4	61.1	61.1	61.1

* Restated due to IFRS 5 - Discontinued operations (Income statement and Cash flow).
** Operation profit/loss before impairment excluding depreciations (Note 5) and income from investments in Associates.
*** Since the value including the Cash Flow is represented from an accounting perspective, it does not correspond to the real price of the transaction. This amount is EUR 3.7M for the acquisition of La Catilleja and EUR 3.3M for the sale of Fotocampillos, as announced in the respective Company announcements.

**** Average number of employees excluding Discontinued operations is 34.5.
***** Number of employees excluding Discontinued operations is 34.
****** Before impairment and Special Items.

Targets achievement 2016 and Outlook for 2017

During 2016, Greentech finalised the divestment of the remaining Polish development portfolio, and the definitive exit from the Environment Division through the sale of Gruppo Zilio was announced in February 2017.

According to IFRS 5, reclassifications have been made in order to include the Environment Division as discontinued operations. More details of activities divested are given in Note 26.

Furthermore, according to its portfolio rotation strategic pillar, in September 2016 Greentech sold its Spanish Fotocampillos solar plant (2.10 MW) and in December 2016 reinvested almost the same amount of equity in the remaining 50% stake of the Spanish La Castilleja solar plant (9.8MW), a more strategic and accretive asset.

During 2016, despite adverse wind conditions in Northern Europe, the production was in line with expectations and 6% higher if compared to the previous year.

Solar conditions were average during the year and generated a solar production in line both with expectations and the year-earlier performance.

On the other hand, the decrease in energy prices adversely affected Revenue for 2016 which resulted below the expectations. Nevertheless, the positive impact of the cost savings and the reduction of local property tax (IMU) in Italy contributed to reaching the EBITDA announced in the Outlook for 2016.

OUTLOOK 2016 MEUR	Actual 2015	Outlook 2016	Actual 2016	Restated 2016***	Outlook 2017
Net production (GWh)*	354	370 - 390	372	380	370 - 390
Revenue	47	47 - 49	47	53	51 - 53
Revenue from Associates	12	10 - 12	13	9	7 - 9
Total revenue	**59**	**57 - 61**	**59**	**62**	**58 - 62**
EBITDA**	**29**	**29 - 30**	**30**	**36**	**33 - 35**
EBITDA from Associates	8	8 - 9	10	8	6 - 8
Total EBITDA	**38**	**37 - 39**	**41**	**43**	**39 - 43**
Total EBITDA margin	64%	64% - 65%	69%	69%	67% - 69%

* For consistency, the above production figures are presented without Wormlage and Tiefenthal wind farms, sold in July 2015.
** Adjusted for Income from Associates.
*** Including 100% of La Castilleja PV plant (for more details, please refer to Note 34).

La Castilleja
Spain

Earnings forecast 2017

The expectations of Greentech for the financial year 2017 are based on estimates and assumptions prepared in accordance with the recognition and measurement requirements of the International Financial Reporting Standards (IFRS) and the ordinary internal procedures for preparing the forecasts of the Company.

Management believes that the key assumptions underlying the financial outlook of the Company for 2017 are:

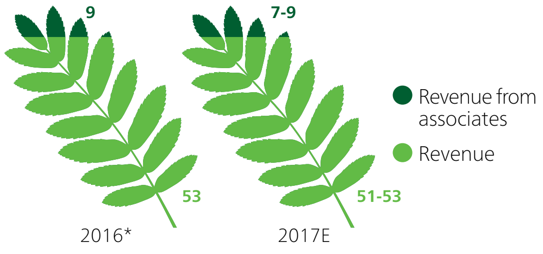
- Projected installed capacity;
- Weather conditions;
- Energy prices and evolution in regulations;
- Improvement in Operating Expenses control.

More specifically, the estimates are based on the following assumptions:

- Full consolidation of La Castilleja PV plant after the acquisition of the remaining 50% at the end of 2016;
- The production from wind projects is based on historical trends. The production from solar projects is based on minimum guaranteed contractual Performance Ratio, which is always below actual Performance Ratio;
- A stable trend of energy prices is expected, if compared to the average 2016;
- The Management has performed a thorough review of Operating Expenses for each plant and, based on 2016 experience, has identified some room for savings in the service contracts;
- The savings of General & Administrative expenses, announced in 2014, will be over a full year.

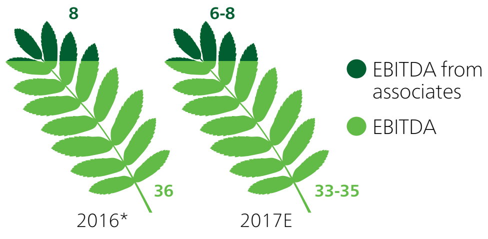
In particular, the acquisition of the remaining 50% of La Castilleja allows to improve on a yearly basis the Total Revenue of approx. EUR 3M and the Total EBITDA of approx. EUR 2.5M. Starting from 2017, Revenue and EBITDA from Associates are represented by the pro-quota of Monte Grighine wind farm only.

REVENUE, MEUR



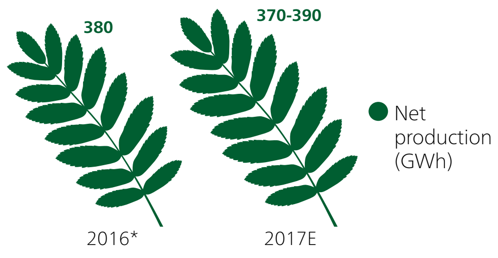
* Including 100% of La Castilleja PV plant (for more details, please refer to Note 34)

EBITDA, MEUR



* Including 100% of La Castilleja PV plant (for more details, please refer to Note 34)

NET PRODUCTION, GWh



* Including 100% of La Castilleja PV plant (for more details, please refer to Note 34)

Financial review

Changes in perimeter of consolidation

During 2016, Greentech finalised the process of refocusing its activities on the core technologies. As announced in Company Announcement No. 2/2017, in February 2017, the Environment Division was taken over by a company controlled by Bernardinello Engineering S.p.A., a leading Italian operator in the environment sector. According to IFRS 5, starting from 2015 this business unit is reclassified in a single line as "Income (loss) Discontinued operations" in the profit and loss statement and as "Assets/Liabilities classified as held for sale" in the balance sheet. A more detailed explanation of these effects for the statement of profit and loss and the balance sheet is disclosed in Note 26.
Furthermore, in December 2016 Greentech completed the transaction for the acquisition of the remaining 50% stake of La Castilleja Spanish solar plant (9.8MW). Since the acquisition date was on 20 December 2016, the profit and loss of La Castilleja has been consolidated with the equity method and included in Associates in the Income Statement while the balance sheet has been consolidated line-by-line (100%). A more detailed explanation of the Business combination is disclosed in Note 34.

Revenue

Revenue generated in 2016 was EUR 46.6M compared to EUR 47.3M in 2015 (- 2%). Considering the Associates, the revenue generated in 2016 was EUR 59.1M, in line with 2015.
Revenue generated in H2 was EUR 21.1M compared to EUR 20.6M in H2 2015 (+2%).
The change in the tariff scheme from Green Certificate to Feed-in-tariff occurred from January 2016 for Italian wind plants and the drop in energy price contributed to a decrease of EUR -3.1M including Associates.
On the other hand, good wind conditions, especially in Italy, generated a positive volume effect (+19.3 GWh including Associates) which allowed to compensate the negative price effect.
The table below shows a detail of the consolidated revenue for 2016 compared to 2015, by technology and by country.

REVENUE

(EUR'000)	Full year 2016	Full year 2015	VAR, %
WIND			
Denmark	758	1,002	-24.3%
Germany	2,313	3,055	-24.3%
Poland	235	345	-31.8%
Spain	5,568	5,910	-5.8%
Italy	20,041	18,831	6.4%
Total Wind	**28,916**	**29,142**	**-0.8%**
SOLAR			
Italy	16,519	16,712	-1.2%
Spain	870	1,271	-31.6%
Total Solar	**17,389**	**17,984**	**-3.3%**
Other	**281**	**195**	**44.0%**
Total	**46,586**	**47,321**	**-1.6%**
Associates/ Joint Venture	**12,512**	**11,871**	**5.4%**
Total incl, Associates/ Joint Venture	**59,098**	**59,126**	**0.0%**

EBITDA before special items

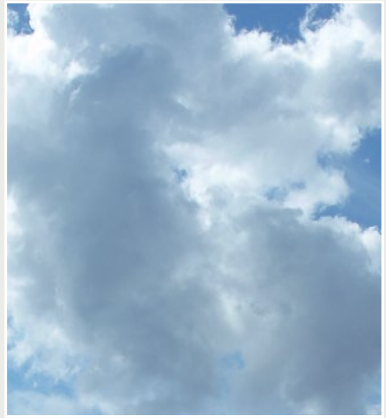
The EBITDA** generated in 2016 was EUR 30.4M compared to EUR 29.3M in 2015 (+4%). Considering the Associates, the EBITDA generated in 2016 was EUR 40.6 compared to EUR 37.8M in 2015 (+7%).
The EBITDA generated in H2 2016 was EUR 11.2M compared to EUR 11.5M in H2 2015 (-3%).
In addition to the Revenue effects mentioned in the previous paragraph, the cost saving implemented and the reduction of local property tax (IMU) in Italy contributed positively at EBITDA level for EUR 1.3M including Associates.
It is worth reminding that during 2016 Greentech closed some transactions: in March 2016, Greentech finalised the divestment of the remaining Polish development portfolio, and in September 2016 Greentech sold its Fotocampillos Spanish solar plant (2.10 MW). Considering the respective prices and the current book values, the effect of these transactions at EBITDA level was a capital gain of EUR 0.2M.
Finally, in December 2016 Greentech completed the acquisition of the remaining 50% stake of La Castilleja Spanish solar plant (9.8MW). As mentioned in the paragraph above, in 2016 the profit and loss of La Castilleja has been consolidated with the equity method and included in Associates figures (for more details refer to Note 34). A full consolidation of La Castilleja for the whole full year 2016 would have generated an EBITDA of EUR 36M.

The EBITDA margin for Greentech including Associates was 69%, compared to 64% in 2015.

Impairment

In connection with the preparation of the Annual Report 2016, the Board of Directors and the Management have reviewed the activities of the Company. The long-term industrial plan has been the basis for the preparation of the impairment test for the goodwill, intangible and tangible assets, for each plant.
For the calculation of the discount factor (WACC) applied in the valuation of the assets, the Management of Greentech has taken a balanced approach applying a 180-day average risk-free interest rate in order to reduce the volatility. Considering the range of WACC applied by the peers, a specific risk premium for Spain (Wind and Solar technologies) has been included.
For 2016, considering the general evolution of the renewable sector, the specific evolution of Greentech's portfolio and the relative stability of the regulatory framework, the outcome of the review is that there are no indicators of impairment (for more details refer to Note 14). In 2015, the outcome of the impairment test was a reversal of write down of EUR 4.7M.
Relating to the Environment Business, the assets have been written down for EUR -4.1M to the net realisable value.

Gehlenberg
Germany



**Operation profit/loss before impairment excluding depreciations (Note 5) and income from investments in Associates.

Special Items

In 2014, an amount of EUR -3.7M was recognised as Special Items mainly due to the restructuring process announced in December 2014. In 2016, Greentech had a reversal of EUR 0.4M partially related to the amount recognised in 2014.

Net Financials

Net financials for 2016 amounted to EUR -8.5M compared to EUR -10.2M in 2015. The decrease in net financials is mainly due to the decrease of interest expenses as a result of progressive decrease in the debt towards Credit Institutions and the early repayment of the Energia Verde residual loan which generated a positive effect of approx. EUR 0.6M related to the close-out of hedging instruments.

Polczyno
Poland

Result

The result after discontinuing operations for the year 2016 is a profit of EUR 5.5M, which is a significant increase if compared to 2015, when Greentech registered a profit of EUR 1.3M.
In addition to the increase in EBITDA mentioned in the paragraph above for EUR 1.1M, 2016 benefited from lower net financials of EUR 1.7M and from the higher contribution of Monte Grighine of EUR 2.7M mainly due to the very good performance in 2016 (+13 GWh vs 2015).
It is worth reminding that in 2016 the result for the year was not affected by the Impairment test on assets which was a net reversal of EUR 4.7M in 2015. On the other hand, the outcome of the Business combination related to the remaining 50% of La Castilleja is a gain from a bargain purchase of EUR 3.7M (for more details refer to Note 34) and a gain included in the Income from Associates of EUR 1.8M (for more details refer to Note 13).
The net result from Discontinued operations (Gruppo Zilio) is a loss of EUR -5.9M compared to EUR -2.9M in 2015; this result includes the write off to net realisable value of the assets of the Environment business as mentioned in the paragraph above.

The result generated in H2 2016 was a profit of EUR 1.1M compared to EUR -1.2M in H2 2015.

Cash Flow

The total cash flow over 2016 amounted to EUR 5.6M compared to EUR -2.0M in 2015. Excluding the cash flow of the Environment business for EUR -1.5M, the net cash flow generation has been positive for EUR 7.1M. Cash flow from operations amounted to EUR 16.2M compared to EUR 12.1M last year. The positive trend was mainly due to the higher EBITDA registered in 2016 and the improvement in the change in Net Working Capital which remains negative. Cash flow from financing activities amounted to EUR -13.7 which is a decrease if compared to 2015, mainly due to the decrease of the DSRA (deposits on accounts held as collateral). In 2016, cash and cash equivalents amounted to EUR 30.3M compared to EUR 24.9M in 2015, excluding the Discontinued operations.

Total Assets

The evolution in total assets from EUR 414.4M in 2015 to EUR 430.9M in 2016 is mainly composed of the increase in non-current assets due to the consolidation line-by-line of La Castilleja and the sale of Fotocampillos, partially compensated by the yearly depreciation of the plants.

Total Liabilities

In 2016, the positive net result of the year generated an increase in the total equity of EUR 6.6M. Current and Non-current liabilities increased by approximately EUR 10.7M as a result of the consolidation line-by-line of La Castilleja, partially compensated by the decrease in the debt towards Credit Institutions.

After the regulatory changes occurred in 2013 that have negatively affected our assets in Spain, the off-taker has also started to delay the payment of the tariff to the producers. At end of 2016, this has impacted our Group: the delay in the payment of Feed-in-tariff has created a temporary discrepancy in the operating cash accounts of La Castilleja solar plant for a total amount of EUR 500k.

As a result of this unexpected temporary discrepancy, the Debt Service Coverage Ratio as at December 31st 2016 was 1.03 instead of 1.05, as per financing agreement.

Since we have obtained a waiver from the banks after the balance sheet date, in accordance with IAS 1 (paragraph 74), we have reclassified the outstanding debt and the related fair value of the hedging reserve in the "Current portion of long-term bank debt" for EUR 39.7M (for more details refer to Note 30). These items will be reclassified in the "Non-current liabilities" in the Half-year Report of 2017.

Nardò
Italy

Comments to Parent Company Financial Statements

The revenue in 2016 amounted to EUR 1.0M which is a decrease of EUR -0.5M if compared to 2015, mainly due to bad wind conditions registered in Denmark in the four wind farms which are directly owned by the Parent Company. The total costs, inlcuding G&A and operating expenses, amounted to EUR -2.9M in line with the previous year. The financial activities resulted strongly positive thanks to interest income from Subsidiaries of EUR 3.0M and dividends received of EUR 4.2M.

The result for the year 2016 is a profit of EUR 4.5M, which is a decrease compared to 2015 (profit of EUR 18.1M) where the positive effect of the Impairment test was of EUR 14.3M.

Events After the Balance Sheet Date

In February 2017, Greentech finalised the definitive exit from the Environment business through the sale of Gruppo Zilio, announced in February 2017 (see Company Announcement No.2/2017).

Monte Grighine
Italy

Greentech's activities

Greentech's current portfolio consists of projects in wind and solar technologies, located in 5 different countries: Italy, Spain, Poland, Germany and Denmark. At the end of 2016, Greentech's total gross capacity amounted to 303 MW divided in 263 MW of wind farms and 41 MW of solar plants.

As disclosed in Company Announcement No.4/2016, in March 2016 Greentech sold its three Polish wind development projects: Parnowo, Ustka and Smolęcin to a subsidiary of EDF EN POLSKA SP. Z.O.O owned by EDF Energies Nouvelles. The three projects combined amount to a total of 108MW. The sale included the transfer of the Project Companies with the intention of further development and future construction of the projects. The total value of the transaction for the three wind projects was EUR 5.4M.

As disclosed in Company Announcement No.15/2016, in September 2016 Greentech sold its Spanish Fotocampillos solar plant (2.10 MW) to Vela Energy S.L. The total transaction price for the solar plant amounted to EUR 3.3M.

As disclosed in Company Announcement No.20/2016, in December 2016 Greentech completed the acquisition of the remaining 50% stake of La Castilleja Spanish solar plant from its co-shareholder, a company belonging to certain funds managed by Foresight Group. Greentech owns 100% of the Spanish solar plant (9.80MW). The total price of the transaction was 3.7M.

In 2016, the combined production of the wind and solar activities reached 444 GWh (gross) and 370 GWh (net). The gross production increased by 8% compared to the production realised in 2015. Overall, in 2016, Greentech's production has reached the Outlook announced in the Annual Report of 2015, primarily due to the favorable wind conditions in Southern Europe during the first half of the year.

PRODUCTION CAPACITY

(MW)	31.12.16 Gross	31.12.16 Net	31.12.15 Gross	31.12.15 Net
WIND				
Denmark	15.5	15.5	15.5	15.5
Germany	23.4	23.4	23.4	23.4
Poland	1.6	1.6	1.6	1.6
Italy	192.2	142.8	192.2	142.8
Spain	30.0	30.0	30.0	30.0
Total Wind	**262.7**	**213.2**	**262.7**	**213.2**
SOLAR				
Italy	31.0	31.0	31.0	31.0
Spain*	9.8	9.8	11.9	7.0
Total Solar	**40.8**	**40.8**	**42.9**	**38.0**
Total	**303.4**	**254.0**	**305.5**	**251.2**

* The change in the gross production capacity between 2015/2016 was due to the sale of Fotocampillos solar plant (2,1 MW). The change in gross/net production in 2016 was due to the acquisition of the remaining 50% stake of La Castilleja solar plant (9.8 MW).

(MWh)	PRODUCTION 2016* Gross	PRODUCTION 2016* Net	PRODUCTION 2015 Gross	PRODUCTION 2015 Net
WIND				
Denmark	21,234	21,234	27,920	27,920
Germany ****	24,491	24,491	32,719	32,719
Poland	2,827	2,827	3,262	3,262
Italy	272,847	206,587	229,922	176,601
Spain	60,728	60,728	56,111	56,111
Total Wind	**382,127**	**315,867**	**349,934**	**296,613**
SOLAR				
Italy	46,435	46,435	46,125	46,125
Spain**	15,409	7,709	16,199	8,105
Total Solar* **	**61,844**	**54,144**	**62,324**	**54,230**
Total	**443,971**	**370,011**	**412,258**	**350,843**

* Actual production net of expected electrical losses

** As disclosed in Company Announcement n.15/2016, the sale of Fotocampillos solar plant occurred in September 2016. For consistency, the above production figures since January 2015 until September 2016 are presented excluding Fotocampillos solar plant. (reminder: gross/net production figures of Fotocampillos would be, for YTD 2016 2,354 MWh and for YTD 2015 3,216 MWh).

***As disclosed in Company Announcement n.20/2016, starting from December the 20th 2016 Greentech owns 100% of La Castilleja solar plant. For consistency, production numbers for 2015 and 2016 include the 50% ownership of La Castilleja solar plant.

**** For consistency, the above production figures are presented without Wormlage and Tiefenthal wind farms, sold in July 2015 (reminder: production figures of Wormlage and Tiefenthal wind farms for YTD 2015 would be, 14,607 MWh gross and 7,304 MWh net).

Wind

At the end of 2016, Greentech's operational wind portfolio amounted to 263 MW (gross), distributed on 11 plants in Denmark, Germany, Poland, Italy and Spain.
The operational wind portfolio reached a total net production of approx. 316 GWh in 2016: an increase of 6% compared to 2015.
In particular, the Italian and Spanish wind farms performed higher, by 17% and 8% respectively, compared to 2015.
The full-year wind production generated in 2016 was generally affected by the varying wind conditions prevailing in the Company's markets causing a performance in line with budget. Wind conditions have been quite favorable across Europe, in particular in the first half of 2016 in Italy and Spain.

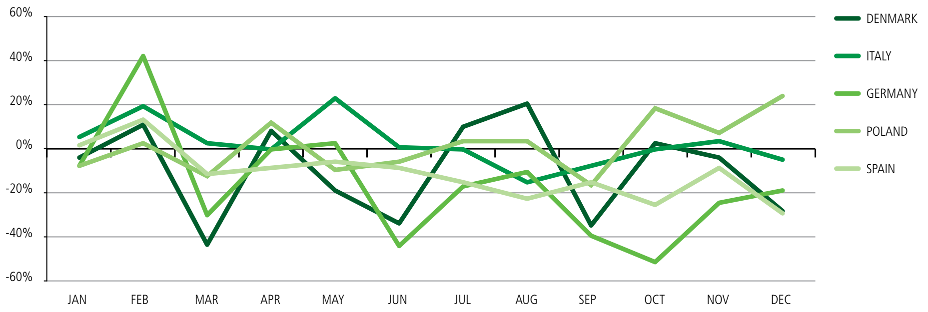
Solar

At the end of 2016, Greentech's solar production capacity amounted to approx. 41 MW (gross), distributed on 15 plants located in Italy and Spain. The full-year net solar production reached 54 GWh, which is in line with estimates and very similar to the 2015 level. Solar irradiation for 2016 in general was in line with expectations in Italy and slightly lower than expected in Spain.

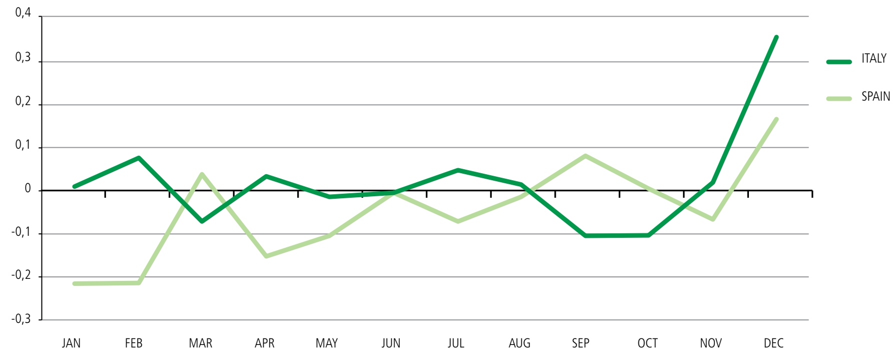
Environment

In 2016, Greentech finalised the refocusing of its activities on solar and wind technologies through the sale of the Environment Division, occurred in February 2017 (see Company Announcement No. 2/2017).

DIFFERENCE IN WIND CONDITIONS VS. BUDGET



DIFFERENCE IN SOLAR IRRADIATION VS. BUDGET



Breakdown by country

Italy

Incentive scheme

Italy has different incentive systems for the various renewable energy sources.

Wind sector

- Starting from January 2016, for plants entered into operation before 31st December 2012 a feed-in-tariff (FiT) system replaced Green Certificates (GC). The FiT is calculated with the same formula of the previous GC, but it is based on the average electricity price of the previous year, instead of the one of the current year. The total amount of the remuneration is still granted by the new FiT + current market price. Being operative before 2013, the whole Greentech wind portfolio is now under the new FiT regime. For details on effects, see the Revenues paragraph in the Financial Review;
- For plants entered into operation after 1st January 2013 (Ministerial Decree 6th July 2012), an auction system for capacity above 5 MW is in place. Prices awarded in the auction are granted for 20 years.

Solar sector

- Starting from 6th July 2013, no more incentives are available;
- All Greentech's solar plants entered into operation before 6th July 2013, therefore they all benefit from a FiT system.

On 11th August 2014, Law no.116/2014, the so called "Spalma Incentivi" was issued, which changed retroactively the renewable energy framework cutting the agreed feed-in-tariffs*.

The Company has started an arbitration procedure under the Energy Charter Treaty against the Republic of Italy in order to claim damages generated by the renewable energy framework.

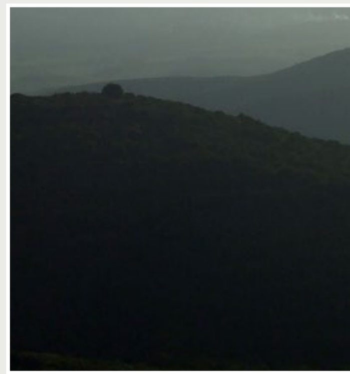
On June 2016, a new Ministerial Decree was published. Without changing the incentive mechanism it introduces a few specific changes in relation to:
1. "Artificial fractioning" of plants;
2. The procedure in case of maintenance and modernisation works to the plants;
3. The participation to auction procedures in other countries.

* Law no.116/2014, the so called "Spalma Incentivi" changed retroactively the payment conditions cutting the feed-in-tariffs of plants with nominal capacity above 200 kW, through three different options to be chosen by the companies. Greentech's Management chose the fixed reduction option, which reduces the FiT by 6-8% depending on the plants capacity, for the remaining incentive period.

Considering that these matters are subject to further clarifications from the legislator, Greentech is monitoring the topic in order to asses any potential impact on its activities.

Regarding the "333/2016/R/EEL Authority Resolution of 24 June" on payment procedures for imbalance costs (see Interim Financial Report 2016), the Resolution will have no impact on Greentech.

Monte Grighine
Italy



Operating assets

Wind Farms

In Italy, starting from January 2016, Greentech's wind farms are remunerated through a FiT.

WIND ITALY

Project	Type of turbine	Gross capacity MW	Commissioned	Ownership	Output 2016 MWh Gross	Output 2016 MWh Net	Average FiT* 2016 €/MWh	Average electricity price 2016 €/MWh
Monte Grighine	Nordex	98.9	Jun 10	50%	132,520	66,260	100.1	40.9
Minerva Messina	Nordex	48.3	Jun 10	100%	82,539	82,539	100.1	44.9
Energia Alternativa	Nordex	24.0	Nov 12	100%	29,702	29,702	100.1	40.4
Energia Verde	Nordex	21.0	Jul 07	100%	28,085	28,085	100.1	40.7
Italy		**192.2**			**272,846**	**206,586**		

*FiT = feed-in-tariff

Solar Plants

The Italian solar PV plants receive the FiT set by the First Energy Account (DM 28/7/2005 - DM 6/2/2006), the second Energy Account (DM 19/2/2007), the Third Energy Account (D.Lgs. 6/08/2010) and the Fourth Energy Account (DM 05/07/2012), revised by the flat cut of 6-8% applied by the 2015' "Spalma Incentivi".

SOLAR ITALY

Project	Type	Gross capacity MW	Commissioned	Ownership	Output 2016 MWh Gross	Output 2016 MWh Net	Average FiT* 2016 €/MWh	Average electricity price 2016 €/MWh
Nardò Caputo	Fixed	9.8	Apr 11	100%	14,252	14,252	273	37.5
Cerveteri	Fixed	8.7	Feb 11	100%	13,202	13,202	318	38.9
Vaglio 2	Biaxial tracking	2.0	Dec 09 Feb 10	100%	3,063	3,063	350	41.0
Vaglio 1	Biaxial tracking	1.0	Apr 09	100%	1,569	1,569	460	41.0
Montemesola	Fixed	1.0	Jun 12	100%	1,400	1,400	169	39.7
De Marinis	Fixed	1.0	Mar 11	100%	1,266	1,266	318	37.1
Ferrante	Fixed	1.0	Apr 11	100%	1,471	1,471	289	37.4
Torremaggiore	Biaxial tracking	1.0	Dec 09	100%	1,720	1,720	325	37.7
Ugento 1	Fixed	1.0	Dec 09	100%	1,325	1,325	325	37.4
Ugento 2	Fixed	1.0	Apr 11	100%	1,435	1,435	318	37.7
Alessano Bortone	Fixed	1.0	Dec 09	100%	1,441	1,441	325	37.6
Nardò Nanni	Mono-axial tracking	1.0	Oct 09	100%	1,606	1,606	325	38.0
Mercurio	Biaxial tracking	1.0	Apr 11	100%	1,710	1,710	318	43.5
Alessano Strutture	Fixed-tilt on roof	0.7	Apr 11	100%	975	975	397	37.5
Italy		**31.0**			**46,435**	**46,435**		

Spain
Incentive scheme

In January 2016, the Spanish government held an energy auction for 500 MW of wind power and 200 MW of biomass, the first auction after the moratorium on the incentives for the new renewable energy plants imposed in the beginning of 2012. In December 2016, the government launched a second 1,000 MW auction, this time opened to all renewable technologies. A new, technology-neutral 3000 MW auction is planned for the first quarter of 2017.

In Spain, Law 24/2013, changed retroactively the FiT system setting the return granted to the renewable energy plants already in operation at 7.4%, and at 7.5%. For the new plants, RES producers receive therefore a specific compensation based mainly on the initial investment.

The Company has started an arbitration procedure under the Energy Charter Treaty against the Kingdom of Spain in order to claim damages generated by the changes in the renewable energy framework.

Also, on June 2016 the Supreme Court raised the Question of Unconstitutionality of the Tax on the Value of Electrical Energy Production (TVEEP), which applies a 7% tax rate on income from sale of electricity. The outcome is expected in the second half of 2017.

Wind Farms

In Spain, wind farms are granted a fixed investment remuneration per MW installed, variable for each plant RI (Retribucion a la inversion) + the energy Market Price.

WIND SPAIN

Project	Type of turbine	Gross capacity MW	Commissioned	Ownership	Output 2016 MWh Gross	Output 2016 MWh Net	Average tariff 2016 €/MWh Fixed remuneration +electricity price
Conesa	Gamesa	30.0	Aug 09	100%	60,728	60,728	90.9

La Castileja
Spain

Solar Plants

In Spain, solar plants are granted a fixed investment remuneration per MW installed, variable for each plant RI (Retribucion a la Inversion) + a fixed remuneration per MWh produced: RO (Retribution a la Operation) + the energy Market Price.

SOLAR SPAIN

Project	Type	Gross capacity MW	Commissioned	Ownership	Output 2016 MWh Gross	Output 2016 MWh Net	Average tariff 2016 €/MWh Fixed remuneration +electricity price
La Castilleja	Fixed	9.8	Sep 08	100%	15,409	15,409	414.9

Germany
Incentive scheme

In August 2014, the new Renewable Energy Sources Act (EEG) moved from a FiT scheme to a mandatory direct selling for all newly commissioned plants, where the operator sells the produced power to a third party and receives as remuneration the agreed contract price.
The new EEG also initiated a transition to competitive bidding, which will be completed with the next reform in 2017.

Wind Farms

In Germany, Greentech is applied a Power Purchase Agreement (PPA), which grants the plant a fixed price for 20 years.

Gehlenberg
Germany

WIND GERMANY

Project	Type of turbine	Gross capacity MW	Commissioned	Ownership	Output 2016 MWh Gross	Output 2016 MWh Net	Average tariff 2016 €/MWh
Gehlenberg	Enercon	23.4	Dec-01	100%	24,491	24,491	94.25

Denmark
Incentive scheme

Denmark promotes renewable electricity generation through a premium tariff.
Plant operators receive a variable bonus on top of the market price. The sum of the bonus and the market price shall not exceed a statutory cap, which depends on the date of connection of a given plant and the source of energy used.
According to the law, wind farms connected at the latest on 20.2.2008 which have already exceeded 22,000 full load hours will receive a premium of maximum 13€/MWh (0.10 DKK/kWh) for 20 years from connection, in addition to the market price.
For plants connected before 1.1.2005, the premium changes according to the market price in order to not exceed, combined, 48 €/MWh (0.36 DKK/kWh).

Greentech's operating portfolio in Denmark has exceeded the 22,000 full load hours and is therefore regulated by the daily market price and the fixed additional Bonus of 13€/MWh with a cap of 48€/MWh.

Oppelstrup
Denmark

WIND DENMARK

Project	Type of turbine	Gross capacity MW	Commissioned	Ownership	Output 2016 MWh Gross	Output 2016 MWh Net	Average electricity price 2016+premium €/MWh
Milbak	NEG.Micon	3.75	Aug-01	100%	4,662	4,662	35.01
Oppelstrup	NEG.Micon	7.5	Aug-01	100%	11,917	11,917	36.48
Hannesborg	Nordex	1.6	Feb-01	100%	1,535	1,535	31.82
Frørup	Nordex	2.6	Dec-00	100%	3,120	3,120	33.02
Denmark		**15.45**			**21,234**	**21,234**	

Poland
Incentive scheme

In June 2016, two acts by the President introduced significant amendments to the renewable energy support scheme and established major limitations on the location of wind farms:

- the Act Amending the Renewable Energy Sources (RES) Act (925/2016), the "Amendment Act" entered into force on 1 July 2016; and
- the Act on Investments in Wind Power Plants (961/2016) entered into force on 16 July 2016.

Even though the main auction-based support scheme rules are maintained, the Amending Act significantly modifies the auction system. Auctions will be divided into groups characterised by the reference to, in particular, the efficiency of an installation instead of the type of technology. The Amending Act introduces individual groups of renewable energy sources (RES) installations for which the auctions will be held separately. Moreover, for each of the groups there will be separate auctions for installations with capacities below or above 1MW.

Wind Farms

In Poland, Greentech is remunerated by Green Certificates + Market Price.

Polczyno
Poland

WIND POLAND

Project	Type of turbine	Gross capacity MW	Commissioned	Ownership	Output 2016 MWh Gross	Output 2016 MWh Net	Average GC* 2016 €/MWh	Average electricity price 2016 €/MWh
Polczyno	Enercon	1.6	Aug-06	100%	2,827	2,827	51,97	39,35

*GC = Green Certificate

Risk management

Risks are inherent to any business activity. Through constant monitoring, data collection, analysis and reporting, a structured risk management approach is applied with the aim of reducing risks to an acceptable level.

Through geographical diversification with operations in currently 5 countries and diversification within 2 different technologies, Greentech seeks to manage the overall and particular risks in order to reduce the uncertainty related to any potential issue in a specific market or technology.

Through the changes in its business model and the exit from the development activities, Greentech has significantly reduced uncertainties and risks.

The overall risk categories related to Greentech's business activities are presented in the table aside. The list is not exhaustive and categories are not presented in order of priority or significance:

Operating risks

- Weather conditions
- Mechanical operation
- Credit related to the off-taker
- Regulatory
- Variation in energy price

Acquisition risks

- Access to and possibility of information verification
- Regulatory requirements
- Possibility of transfer of rights/financing
- Determination of acquisition price and price structure
- Expenses incurred for acquisition activities

General risks

- Human capital
- Interest rate evolution
- Exchange rate evolution
- Insurance
- Project financing

Risks may have substantial impact on a company's earnings, financial position and achievements of other objectives. Presented below are some operating risks assessed by Greentech as inherent to the actual business (weather conditions) or actualised in the recent past (political risks related to regulatory changes of economic regimes and subsidies as well as variations in energy prices).

Weather conditions

Greentech's operational activities are, inevitably, exposed to variations in weather conditions, which may impact the production and ultimately the earnings of each plant. Greentech's presence in different regions and within different technologies reduces this risk.
In addition, in order to minimise the risks related to weather conditions, Greentech only applies a realistic approach in terms of wind conditions and irradiation when forecasting the production.

Regulatory

Retrospectively, over the past few years, Greentech has been exposed to a number of regulatory changes regarding subsidies and settlement terms of renewable energy projects in the Company's primary markets: Italy and Spain. With retroactive replacement of the support scheme applicable to renewable energy generation, tax measures, elimination of minimum guaranteed prices and changes in feed-in-tariffs, Greentech's profitability has been negatively impacted by a number of factors with limited possibilities of counteracting.
To mitigate the negative consequences of the changes, Greentech has started two arbitration procedures under the Energy Charter Treaty against respectively the Republic of Italy and the Kingdom of Spain.

Potential further regulatory changes or variations in settlement terms or prices in Greentech's markets may affect the Company's existing or future projects.

Variation in energy price

In addition to regulatory changes of the support regime settlement, the evolution of the market price of energy may affect the Company's revenue. In 2016, electricity prices were generally at a significantly lower level than expected in Italy and Spain and also previous years have demonstrated declining trends.

Greentech carefully monitors the price trend and acquires qualified forecasts on a regular basis in order to anticipate any fluctuation.

Project financing

The production of energy is a capital intense business requiring financing provided largely by credit institutions. Therefore, the optimisation of the capital structure of the Company is a key element of the overall performance of the business.
For each project, the Company makes an assessment of the maximum leverage to obtain from the credit institutions subject to the performance of the project.
The higher the leverage, the higher the internal rate of return of each project.
But an excessive leverage could also lead to a breach of covenants or a reduced cash flow to the shareholder when the performance of the project is affected by operating risks such as poor weather conditions or a decrease in energy price.

Greentech has a number of existing material financing contracts which could impact the transferability in the event of a takeover. A change in ownership and control on the project Companies could impact the current financing agreements.
A potential new owner should be accepted by the financing parties in order to avoid the anticipated reimbursement of the outstanding debt. Should the potential owner neither be accepted by the current financing parties nor be able to find new financing parties, the ownership of the assets would be transferred to the current financing parties.

For further disclosure on Risk Management, please refer to Note 3 of the Financial Statements.

Corporate Governance

The Board of Directors and the Management Board of Greentech consider the development of the management model and the organisation to be an ongoing process adjusted as needed with due consideration to the Company's activities, business environment, statutory requirements and general practices. During this continuous process, Greentech addresses the recommendations of Corporate Governance as a tool contributing to ensure reliable information, transparency and insight into the business for our stakeholders.

Governance structure

Shareholders and annual general meetings

The General Meeting is the supreme authority of the Company. Resolutions are made by a simple majority of votes, unless legislation prescribes special rules on representation and majority. The Articles of Association of Greentech, available on the Company's website, contain information about the notice of the general meeting, shareholders' rights to submit proposals and have specific subjects considered on the agenda, admission and voting rights.
In 2016, Greentech held its Annual General Meeting on 13 April.
The next Annual General Meeting will be held on 26 April 2017.

Management

Board of Directors

The Board of Directors is responsible for the overall management of the Company, including the appointment of a Board of Management, determination of strategy, action plans, targets and budgets, and also the definition of the principles for risk management and control procedures, etc.

Board authorisations

Under the Articles of Association, the Board of Directors has been granted authorisation, which remains in force until 17 April 2017, to increase the nominal share capital in one or more issues by up to DKK 150,000,000, corresponding to 30,000,000 shares of DKK 5. The Board of Directors intends to propose renewal of the authorisation at the Annual General Meeting for 2017.

In addition, the Board of Directors holds the authority to issue convertible debt instruments to comprise a nominal share capital increase by up to DKK 50,000,000 in one or more issues with expiry on 18 April 2018.

The Board of Directors, moreover, has been authorised for one year by the latest General Meeting to let Greentech acquire treasury shares for a total holding of up to 10% of the share capital. By yearend 2016, Greentech holds an amount of treasury shares corresponding to 4.96 % of the share capital (unchanged from the end of 2015). The portfolio of treasury shares is held for M&A opportunities.

Board practices

The Board of Directors meets on a regular basis according to a work and meeting calendar with five scheduled annual meetings and otherwise if required. 5 meetings were held in 2016 including conference calls. Ordinary Board meetings have a predetermined agenda under which operation and performance are discussed and current issues and new projects are considered and approved. The Board of Directors reviews its rules of procedure on a regular basis and checks that the framework and procedures are in order. Risk management, capital and share structures are also items on the agenda.
The Annual Report is reviewed at the meeting in March, where accounting policies and audit process are also reviewed and discussed together with the Auditor, without the Management Board being present.
Moreover, the Board of Directors has implemented a self-assessment procedure with the aim of evaluating, on an annual basis, the contributions and results of the Board of Directors and the individual members as well as the Management Board.

Composition and independence

The Board of Directors currently consists of five members elected at the Annual General Meeting with a broad composition of skills and experiences. Board member mandates are subject to renewal every year. No board member is elected by and among the employees since the Parent Company, Greentech Energy Systems A/S, has not met the threshold of having more than 35 employees.

At the Annual General Meeting held on 13 April 2016, the Board of Directors was reduced, as Mr. Giorgio Bruno and Mr. Giovanni Ferrari did not wish to stand for re-election. The five incumbent members of the Board of Directors were re-elected.
None of the Board members has been previously employed by the Company and there are no current transactions between the Company and the Board of Directors, excluding remuneration as Members of the Board. In terms of independence, as defined in the Corporate Governance recommendations, 1 out of 5 (Mr. Luca Rovati) is considered non-independent as he indirectly represents Greentech's controlling shareholder GWM Renewable Energy II S.r.l.
For a presentation of the members of the Board of Directors, please refer to the section "Board of Directors and Board of Management".

Board of Management

The Board of Management is appointed by the Board of Directors which sets the guidelines and terms for the Board of Management to perform its duties. The Board of Management implements the strategy and is in charge of the day-to-day management, organisation and development of Greentech, management of assets and liabilities, bookkeeping and reporting. Its performance is evaluated by the Board of Directors.

The Board of Management consists of:

ALESSANDRO REITELLI
Chief Executive Officer

FRANCESCO VITTORI
Chief Financial Officer

Minerva Messina
Italy

Statutory Statement on Corporate Governance

The Board of Directors of Greentech employs the recommendations of the Committee on Corporate Governance (available on www.corporategovernance.dk) as an important source of inspiration in its efforts. A detailed review of Greentech's position on all the recommendations as well as a description of the internal control and risk management system relating to the financial reporting can be found in the statutory report on corporate governance pursuant to section 107b of the Danish Financial Statements Act which is available on Greentech's website, www.greentech.dk, under "Investor", "Corporate Governance" (http://greentech.dk/investor/corporate-governance/).

According to the recommendations issued by the Committee on Corporate Governance in May 2013, revised in November 2014, companies must explain any non-compliance. Greentech fully complies with the vast majority of the recommendations, but has opted to derogate from seven of the 47 recommendations as described below:

- Considering that the business of Greentech has a stable and recurring trend over the year and that, since November 2015, the publication of quarterly reports is no more mandatory, the Company has decided to publish only H1 results and the Annual report. Greentech will continue to publish monthly announcements disclosing the production realised and other material events in order to keep its stakeholders, including shareholders and other investors, informed on a regular basis (**Recommendation 1.1.3**).
- Greentech has no retirement age for board members. Greentech believes that the most important factor is the individual board member's commitment, work efforts and skill set, not the member's age (Recommendation 3.1.4).
- Due to the Company's size, Greentech has so far not deemed necessary to set up specific committees under the Board of Directors. Instead, Management has relied on special skills and know-how held by members of the Board of Directors in respect of specific projects. The Board of Directors jointly functions as the Audit Committee (**Recommendations 3.4.1; 3.4.6; 3.4.7**).
- Greentech has not incorporated policies which ensure the possibility for reclaim, in full or in part, variable components of remuneration that were paid on the basis of data which proved to be manifestly misstated (**Recommendation 4.1.2**).
- The combined remuneration of the Management Board is disclosed in note 5 of the Annual Report. Considered in accordance with practices applied in comparable companies, the remuneration granted to each member of the Management Board is not disclosed in the Annual Report. The remuneration of the Management Board is in line with the remuneration guidelines and no material retention or severance programmes are currently in place (**Recommendation 4.2.3**).

Remuneration policy

Remuneration for the Board of Directors and the Management Board is based on the "General guidelines for incentive pay", approved by the shareholders at the Annual General Meeting of 23 April 2008, which is available on Greentech's website. The Board of Directors approves remuneration for the Board of Management within the framework of the guidelines. In 2016, the only incentive element applied for the remuneration of the Management Board members was a potential bonus of up to one fourth of the annual salary. Remuneration for the Board of Directors is approved by the shareholders at the General Meeting.
The Board of Directors is empowered with an authorisation to issue up to 5,000,000 warrants (nominal share capital of DKK 25,000,000) in one or more issues with expiry on 17 April 2017 in accordance with the "General guidelines for incentive pay" and article 4c of the Articles of Association. The Board of Directors has not exercised this authorisation in 2016. The Board of Directors intends to propose renewal of the authorisation at the Annual General Meeting for 2017.

Organisation

In 2016, Greentech's personnel policy was focused above all on the consolidation of the organisation.

In particular, with reference to the operations in Poland, following to the divestment of the Polish development portfolio, the supervision of the current activities was transferred to the Italian Corporate team.

As of 31 December 2016, the Greentech Group's total headcount amounted to 34 full-time equivalent employees (50 employees including "discontinued"), of whom 2 were under dismissal (2 including "discontinued") at the date of this Report, as shown in the table below:

As of 31 December 2016, the average age of the Group's employees is 39.7 (40.2 including "discontinued") and the average seniority with the Company is 4.9 years (5.6 including "discontinued").

Headcount by technology

WIND 5 + SOLAR 3 + HOLDING 26 = 34 + ENVIRONMENT 16 (DISCONTINUED) = 50

Headcount by gender

Female		Male
62%	GENDER	38%
25%	(DISCONTINUED)	75%
50%	TOTAL	50%

At year-end 2016, the managerial positions below top-management level in the Company were covered by respectively 50% (58% including "discontinued") male employees and 50% (42% including "discontinued") female employees.

Corporate Responsibility

Greentech recognises the responsibility attached to being a player in society in a local, national and international context. Therefore, Greentech remains attentive towards making targeted efforts to ensure that its core business area and activities are conducted in a financially, environmentally and socially viable manner by both complying with statutory requirements and taking voluntary corporate responsibility initiatives in the countries and communities in which Greentech operates. Greentech believes that responsible business behaviour is a precondition for long-term value creation for the Company and its stakeholders.

The UN principles on human rights, labour rights, environment and anticorruption form a guiding framework on which Greentech's corporate responsibility efforts are based. In its considerations relating to Corporate Responsibility initiatives, Greentech seeks inspiration in the UN Global Compact initiative for corporate social responsibility.

Climate and environment

Greentech directly addresses significant societal challenges through the Company's core business of producing and selling renewable energy from wind and solar technologies, contributing to reduce the environmental and climate impact.

Based on a durable and profitable portfolio of renewable energy producing assets, Greentech strives to generate and distribute clean energy production in order to preserve the environment and to contribute to a world sustainable growth.

Greentech contributed production of renewable energy provides immediate environmental advantages in terms of savings of fossil fuels and elimination of CO_2 emissions.

In 2016, the gross production generated by Greentech's operating assets supplied more than 148,000 families with non-polluting energy and saved the consumption of more than 600,000 barrels of oil.

Also, Greentech's 2016 clean energy gross production corresponded to a reduction of approx. 236,000 tons CO_2 – equalling the elimination of emissions from more than 98,000 cars.

Climate and environmental achievements 2016

444,379*
GROSS PRODUCTION (MWh)

148,126
CLEAN POWER SUPPLY
(n. of households in 1 year)

235,521
EMISSION OF CO_2 AVOIDED
(tons)

606,622
OIL SAVED (n. of barrels)

* Excluding production from the Spanish solar plant Fotocampillos which was sold in the end of September 2016

As Greentech offers an alternative to the scarce and polluting power sources providing clean energy without emissions of hazardous particles or greenhouse gases, no special environmental risks are related to Greentech's activities.

The Company, however, do care about the physical impact of its activities. Greentech's projects are subject to environmental permits and at all project stages Greentech is governed by comprehensive environmental legislation and rules which, through mandatory surveys and analyses, safeguard the surroundings of the Company's plants, i.e. flora and fauna, local households and the landscape.

Greentech has no significant outstanding environmental issues with authorities, nongovernmental organisations or local households.

As to limit also the environmental impact of the Company's administrative activities, Greentech decided, starting from 2014, not to present the annual report in a printed and bound version, but only electronically.

On average, Greentech's wind operating assets are energy neutral within 15 months from the first connection - their "energy payback time". This means that within 15 months of operation, the turbines have generated the same amount of energy that has been or will be consumed for the development, construction, maintenance of the plants during their 25-year lifetime. Having compensated any related generation of pollution and CO_2 after 15 months, Greentech's wind turbines, averagely, deliver a pure energy production during 95% of their lifespan.

Greentech's operating solar projects are energy neutral within 37 months from the first connection. With an expected lifespan of 20 years, the solar assets provide fully clean energy during 85% of their lifespan.

Resource	Energy payback time	Lifespan	"Green" lifetime
Wind	15 months	25 years	95 %
Solar	37 months	20 years	85 %

Cerveteri
Italy

Energy payback period | Green energy lifespan

SOLAR PROJECTS

Type	Plant	Country	Mw	Mw Net	Grid Connection			
PV	La Castilleja	ES	9.80	9.80	Sep-08	2008	2011	2028
PV	Alessano Strutture	IT	0.70	0.70	Apr-11	2011	2014	2031
PV	Montemesola 1 + 2	IT	1.00	1.00	Jun-12	2012	2014	2032
PV	Ugento 2	IT	0.98	0.98	Apr-11	2011	2014	2031
PV	Mercurio	IT	0.91	0.91	Apr-11	2011	2014	2031
PV	De Marinis	IT	0.99	0.99	Dec-10	2010	2014	2030
PV	Ferrante	IT	0.99	0.99	Apr-11	2011	2014	2031
PV	Alessano Bortone	IT	0.98	0.98	Dec-09	2009	2013	2029
PV	Nardo Nanni	IT	0.94	0.94	Oct-09	2009	2013	2029
PV	Torremaggiore	IT	0.99	0.99	Dec-09	2009	2013	2029
PV	Ugento 1	IT	0.98	0.98	Dec-09	2009	2013	2029
PV	Vaglio 2	IT	1.96	1.96	Jan-10	2010	2013	2030
PV	Vaglio 1	IT	1.02	1.02	Dec-09	2009	2013	2029
PV	Nardò Caputo	IT	9.77	9.77	Apr-11	2011	2014	2031
PV	Montestosto	IT	8.74	8.74	Mar-11	2011	2014	2031
Total			**40.77**	**40.77**				

WIND PROJECTS

Type	Plant	Country	Mw	Mw Net	Grid Connection			
Wind	Conesa	ES	30.00	30.00	Sep-09	2009	2010	2034
Wind	Polczyno	PO	1.60	1.60	Aug-06	2006	2007	2031
Wind	Cagliari II	IT	24.00	24.00	Aug-12	2012	2013	2037
Wind	Minerva Messina	IT	48.30	48.30	Jul-10	2010	2012	2035
Wind	Monte Grighine	IT	98.90	49.45	Jul-10	2010	2012	2035
Wind	Energia Verde	IT	21.00	21.00	Jul-07	2007	2009	2032
Wind	Gehlenberg	DE	23.40	23.40	Dec-01	2001	2003	2026
Wind	Frorup	DK	2.60	2.60	Dec-00	2000	2002	2025
Wind	Hannesborg	DK	1.60	1.60	Feb-01	2001	2002	2026
Wind	Oppelstrup	DK	7.50	7.50	Aug-01	2001	2002	2026
Wind	Milbak	DK	3.75	3.75	Aug-01	2001	2002	2026
Total			**262.65**	**213.20**				

The table illustrates, for each of the operating plants, respectively, the energy payback period (blue), and the fully green energy production expected during the lifespan of the assets (green).

People

Greentech considers diversity an important asset and remains committed to ensuring equal opportunities and rights for employees and therefore does not tolerate discrimination or harassment based on religion, race, ethnicity, gender, age, sexuality, political opinion or other status.

Greentech has a diverse workforce with a broad employee composition in terms of geographical and cultural background, gender and age distribution (see the paragraph "Organisation" for details on the composition of the employees).

Moreover, a safe and healthy workplace continues to be a priority for Greentech. Particularly in the Company's wind and solar plants, severe health and safety procedures are implemented to secure the employees and minimise the risk of occupational accidents. Also in 2016, these provisions have contributed to an injury- and incident-free working environment.

Diversity in management

Greentech also maintains focus on encouraging diversity at managerial levels, an initiative which was introduced in 2013 with the policy on equal representation in management centred on gender distribution in the Board of Directors. In line with section 139a of the Danish Companies Act, the Board of Directors, thus, has implemented a target figure for the proportion of women, who currently constitute the underrepresented sex of the Board:

It is the aim of the Board of Directors of Greentech that 2 female board members be elected by the General Meeting before the end of 2017.

Greentech's Board of Directors has been ambitious on the topic taking an important step towards its fulfilment with the election of Mrs. Michèle Bellon as member of the Board of Directors at the Annual General Meeting already in April 2014. Despite a continued process and focused effort identifying competent and qualified female candidates, the right match has not been made yet. The target figure, therefore, most likely will not be met as planned. The Board of Directors will, however, continue its efforts towards its fulfilment within the shortest possible time frame, maintaining obviously the primary criteria that the candidates proposed for the Board of Directors are selected considering their suitability based on professional and personals skills and competences.

In 2016, 2 male members of the Board of Directors withdrew, reducing the Board from seven to five members. With Greentech's Board of Directors currently consisting of five members – 4 male and 1 female – the ratio of the underrepresented sex on the Board has increased from 14% to 20%.

Additionally, the Company has adopted policies regarding the proportion of gender in the other management levels of the Company:

Greentech is still committed to working towards creating and maintaining equal opportunities for women and men at all management levels in the Company. In connection with all recruitment, including recruitment at management level, it is Greentech's policy to fulfil the Company's requirements for employees with the necessary skills and competences, regardless of gender, age, ethnicity etc.
When choosing between equally qualified candidates, the diversity among the employees shall be taken into consideration. In connection with recruitment for managerial positions it should be ensured, where possible, that the candidates invited for interview include both men and women.

At year-end 2016, the managerial positions below top-management level in the Company were covered

by respectively 50% (58% including "discontinued operations") male managers and 50% (42% including "discontinued operations") female managers – a totally equal gender representation.

Ethics and behaviour

Transparency and compliance with national and international regulation and standards are considered cornerstones in Greentech's business behaviour, and the Company is committed to conduct its activities in a lawful and conscientious way and perform its practices responsibly with due consideration and respect of internal and external procedures and guidelines.
A code of ethics has been introduced for the majority of the Group companies which addresses relevant issues and prescribes the correct behaviour in interactions with the Company's internal and external stakeholders. A system to increase awareness and of empowerment among the employees regarding the rules of conduct and business ethics has been implemented.

Greentech operates in an international context, currently in five different European countries (Denmark, Germany, Italy, Poland and Spain) which all constitute fairly limited risk factors in terms of businesses' exposure to human rights violations. Consequently, Greentech does not conduct any activities, liaise or contract with business partners or suppliers in countries considered high-risk in terms of negatively impacting human rights.

Greentech has not prepared a specific policy on human rights as, so far, the Company has not deemed it relevant, considering its business activities and locations.

In the future, Greentech will continuously endeavour to expand its corporate responsibility efforts by integrating environmental and social aspects in its planning and decision-making processes. These efforts will be based on the topics most relevant with respect to Greentech's core business and commercial goals as this is the best way in which Greentech can contribute through relevant initiatives to the benefit of the Company and of its stakeholders.




Cerveteri
Italy

Board of Directors
and Board of Management

PETER HØSTGAARD-JENSEN
Chairman
Former CEO of Elsam A/S

Graduated in Chemical Engineering and Business
Born in 1945
Nationality: Danish

Elected as chairman of the Board of Directors in October 2010, most recently elected at the Annual General Meeting in 2016. Current election period expires at the Annual General Meeting in 2017.

Peter Høstgaard-Jensen is considered as an independent board member.

Competencies of special relevance to Greentech:
Energy, power distribution

Other executive functions/ directorships:
Aalborg Energie Technik A/S (Chairman)
Clean Solutions Forum for Grøn Systemeksport (Chairman)
Biofuels Frederikshavn A/S (Board member)
Biofuels Vordingborg A/S (Board member)
Crestwing ApS (Board member)
Nordenergie A/S (Board member)
Xergi A/S (Board member)
Frederikshavn Forsyning A/S (Board member)
Norsk Miljøkraft AS (Board member)

LUCA ROVATI
Deputy Chairman
Member of the Board of Directors
and Deputy Chairman of Meda AB

Graduated cum Laude in Economics, Certified Business Consultant and Chartered Accountant
Born in 1961
Nationality: Italian

Elected as deputy chairman of the Board of Directors in October 2010, most recently elected at the Annual General Meeting in 2016. Current election period expires at the Annual General Meeting in 2017.

Luca Rovati is considered as a non-independent board member as he represents one of the major shareholders of Greentech Energy Systems A/S.

Competencies of special relevance to Greentech:
Renewable energy

Other executive functions/directorships:
Nuove Partecipazioni S.p.A. (Director)
Marco Polo International Italy Spa (Director)
COINV (Director)
Marco Polo International Holding Italy SpA (Director)
Pirelli & C. S.p.A. (Director & Member of Audit Committee)

MICHÈLE BELLON
Former CEO of ERDF

Graduated from Northwestern University (Illinois, USA) with a Master of Sciences in Nuclear Engineering and Graduate Engineer of Ecole Centrale de Paris (equivalent PhD)
Born in 1949
Nationality: French

Elected as board member at the Annual General Meeting in 2014, most recently elected at the Annual General Meeting 2016. Current election period expires at the Annual General Meeting in 2017.

Michèle Bellon is considered as an independent board member.

Competences of special relevance to Greentech:
Broad experience within the energy field and from major companies in an international environment

Other executive functions/directorships:
RATP (Board member)
Caisse des Dépôts et Consignations (Supervisory board member)
HF Company (Board member)

VALERIO ANDREOLI BONAZZI

CEO of Epico and of its subsidiary Hydrowatt Abruzzo S.p.A.

Graduated in Finance
Born in 1970
Nationality: Italian

Elected as board member in October 2010, most recently elected at the Annual General Meeting in 2016. Current election period expires at the Annual General Meeting in 2017.

Valerio Andreoli Bonazzi is considered as an independent board member.

Competencies of special relevance to Greentech:
Hydro, Biomass, Solar, Wind

Other executive functions/directorships:
Epico (CEO)

JEAN-MARC JANAILHAC

Former CEO of Veolia Environmental Services South Europe (Subsidiary of the waste management division of Veolia Environment Group)

Graduated in Economics at the Institut des Hautes Etudes de Defense Nationale (IHEDN)
Born in 1954
Nationality: French

Elected as board member in October 2010, most recently elected at the Annual General Meeting 2016. Current election period expires at the Annual General Meeting in 2017.

Jean-Marc Janailhac is considered as an independent board member.

Competencies of special relevance to Greentech:
Environment

Other executive functions/ directorships:
SFIC development SAS (CEO)
Macquarie Capital , Investment BANK (Senior advisor)
Fabregue SA (Board member)
Fondation Contes (Financial advisor)
Eurohold (Senior advisor)

ALESSANDRO REITELLI

CEO

Employed with the Company as COO in September 2012
CFO and COO ad interim from November 2012 to October 2014
CEO since October 2014

Graduated cum laude in Economics
Born in 1969
Nationality: Italian and French

Other executive functions/directorships:
None

FRANCESCO VITTORI

CFO

Employed with the Company as Planning and Control Manager in June 2014
CFO since October 2014

Graduated in Business administration and financial markets management

Born in 1980
Nationality: Italian
Other executive functions/ directorships: None

Directorships held within the Greentech Group are excluded from the descriptions above.
All directorships are as per 1 February 2017.

SHAREHOLDINGS IN GREENTECH ENERGY SYSTEMS A/S AS AT 31 DECEMBER 2016 *

Board of directors	Shares
Peter Høstgaard-Jensen	20,000
Luca Rovati	0
Michèle Bellon	0
Valerio Andreoli Bonazzi	0
Jean-Marc Janailhac	0
Total	**20,000**
Management Board:	
Alessandro Reitelli	25,000
Francesco Vittori	0
Total	**25,000**

* During 2016, the shareholdings have remained unchanged compared to 2015.

Shareholder information

Share capital and ownership

MASTER DATA

Share capital	DKK 533,313,475.00
Number of shares	106,662,695 shares of DKK 5
Number of treasury shares	5,295,314
Share classes	One (A share)
Voting/ ownership restrictions	None
ISIN code	DK0010240514
Trading symbol	GES
Bloomberg ticker	GES:DC
Reuters ticker	G3E.CO

Greentech Energy Systems A/S' total share capital amounts to DKK 533,313,475 divided into 106,662,695 shares with a nominal value of DKK 5 each. Greentech has a single share class and no restrictions on voting rights.

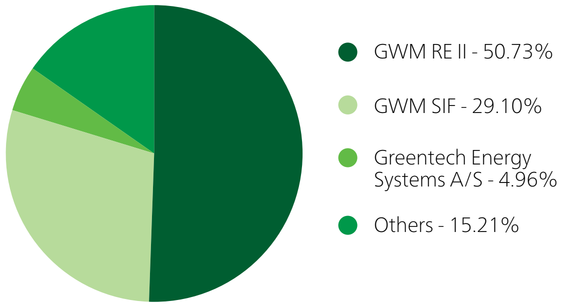
At 31 December 2016, Greentech had approximately 4,900 shareholders registered by name, including custodian banks, a decrease of approximately 10% during the year. The registered shareholders represented approximately 99% of the share capital which was at the same level as at year-end 2015.
In line with previous years, the vast majority – around 86% – of Greentech's shares are held by international investors.

The following shareholders have reported holding more than 5% of Greentech's share capital in accordance with the Danish Companies Act, article 55:

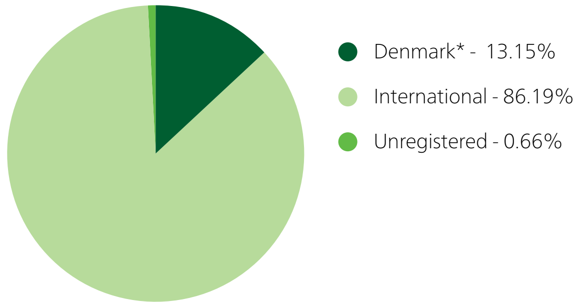
- GWM Renewable Energy II, Italy: 50.73% (see Company Announcement No. 5/2016)
- GWM SIF-GENESIS, Luxembourg: 29.10% (see Company Announcement No. 10/2016)

At 31 December 2016, Greentech held 4.96% own shares (unchanged compared to year-end 2015). The portfolio of treasury shares is held for M&A opportunities.

SHAREHOLDER OVERVIEW 31.12.2016



SHAREHOLDER BY GEOGRAPHY 31.12.2016



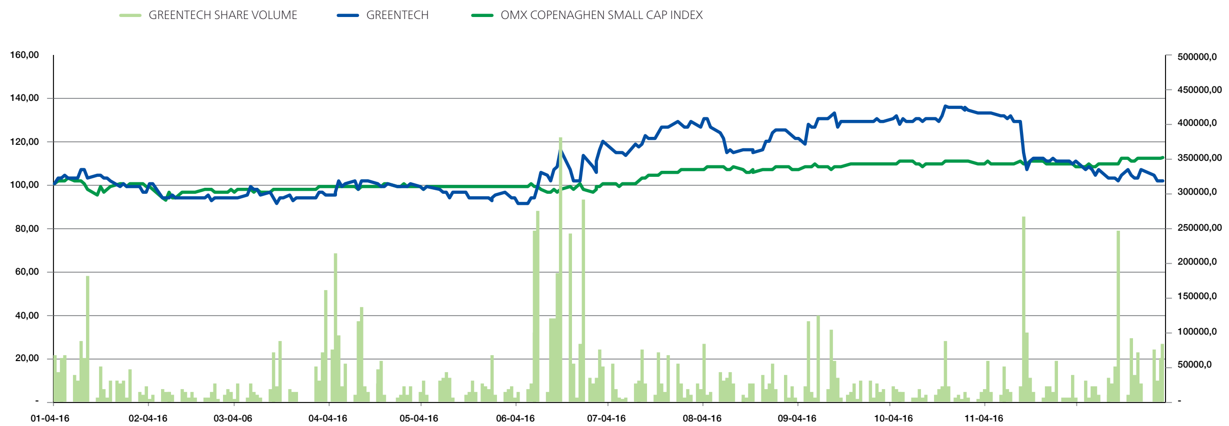
* Including Greentech's treasury shares of 4.96%

The Greentech share

The Greentech share is listed on Nasdaq Copenhagen and included in the Copenhagen Small Cap Index. During 2016 the share price appreciated by 1.5% (from DKK 6.55 at year-end 2015 to DKK 6.65 at year-end 2016) following, however, a highly volatile pattern through the year.

With price fluctuations ranging from DKK 5.95 (-10%) to DKK 8.9 (+34%), the share price particularly experienced a positive development during the second half of the year.
The Nasdaq Copenhagen Small Cap Index rose by 12% during 2016.

SHARE PRICE PERFORMANCE (INDEXED) AND SHARE VOLUME



Dividend policy

So far, the dividend policy decided by the Board of Directors has given priority to increasing the Company's value by reinvesting into profitable growth any profit generated. However, in continuation of the Company's restructuring process and the related improvement in cash flow generation, the Board of Directors intends to recommend to the Annual General Meeting a dividend policy starting from this year.
The framework will be based on two main indicators:

- Dividend yeld (DY), which is equal to dividend per share/price share
- Pay-out ratio (PR), which is equal to dividend/net profit (consolidated)

Ideally, the dividend/share should grow over time following a profile somehow symmetric to the growth of the price/share and vice-versa and an increase in the PR gives stability to the share price and vice-versa.

However, the yearly distribution of dividends will always be decided with due consideration for the Company's plans, requirements or priorities. Hence, the proposed framework should express stability, with a floor, growth perspective, with the PR, and flexibility, with sound expectations:

- Maximum PR 40%, net of equity for selected accretive oppurtunities and stable cash-free buffer of EUR 10M
- Minimum dividend of EUR 2M/year

The Board of Directors will propose to the shareholders at the Annual General Meeting that a dividend of DKK 0.162 (EUR 0.022) per share to be distributed for the financial year 2016.

Investor Relations

Greentech aims to ensure that investors have adequate and equal access to relevant information by providing communications to the financial markets in a timely and accurate manner to support normal trading and a fair and efficient pricing of the share.

The Company seeks to create awareness of its activities by pursuing an open dialogue with investors, analysts and other stakeholders. This is done through activities such as investor/analyst meetings and participation in events and seminars. Moreover, Greentech's Management Board hosts conference calls following the publication of financial results.

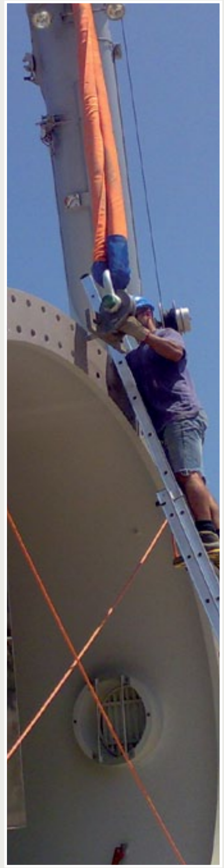
Greentech's website contains an "Investor" section which provides access to company announcements, financial reports, monthly production updates and investor presentations. Moreover, all interested parties can subscribe to Greentech's newsletter and automatically receive announcements, publication of financial results etc. via e-mail.

The Management is responsible for the Company's investor relations.

IR contact person is:
Camilla Lydom
E-mail: clydom@greentech.dk
Telephone: +45 33 36 42 02

FINANCIAL CALENDAR 2017

15 March	Deadline for shareholders to submit proposals for the agenda of the Annual General Meeting
29 March	Annual Report 2016
26 April	Annual General Meeting 2017
3 August	Interim Report for H1 2017



Monte Grighine
Italy

STATEMENT AND REPORT

GREENTECH ANNUAL REPORT 2016

Statement by the Board
of Directors and the Board of Management

Today the Board and Management Board have discussed and approved the Annual Report of Greentech Energy Systems A/S for the financial year ended 31 December 2016.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statement Act.

In our opinion the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2016 and of the results of the Group's and the Parent Company's operations and cash flow for the financial year then ended.

In our opinion the Management's Review includes a true and fair review about the development in the Group's and the Parent Company's operations and financial matters, the results for the year and the Parent Company's financial position, and the position as a whole for the entities included in the Consolidated Financial Statements, as well as a review of the more significant risks and uncertainties faced by the Group and the Parent Company.

We recommend that the Annual Report be approved at the Annual General Meeting.

Copenhagen, 29 March 2017

MANAGEMENT BOARD

ALESSANDRO REITELLI
CEO

FRANCESCO VITTORI
CFO

BOARD OF DIRECTORS

PETER HØSTGAARD-JENSEN
Chairman

LUCA ROVATI
Deputy Chairman

MICHÈLE BELLON

VALERIO ANDREOLI BONAZZI

JEAN-MARC JANAILHAC

Independent auditors' report

to the shareholders of Greentech Energy Systems A/S

Opinion

We have audited the consolidated financial statements and the Parent Company financial statements of Greentech Energy Systems A/S for the financial year 1 January – 31 December 2016, which comprise an income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flow and notes, including a summary of significant accounting policies, for the Group as well as for the Parent Company. The consolidated financial statements and the Parent Company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the Parent Company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2016 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2016 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the Parent Company financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements and the Parent Company financial statements for the financial year 2016. These matters were addressed in the context of our audit of the consolidated financial statements and the Parent Company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the Parent Company financial statements" section, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements and the Parent Company financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements and Parent Company financial statements.

Valuation of wind farms, solar plants and related project financing

The Group operates a number of wind farms and solar plants. Valuation of wind farms and solar plants is significant to our audit due to the size of the carrying values of the wind farms and solar plants as well as the management judgement involved in the assessment of the values, including decomposition of the cost price, assessment of useful life and scrap values and accounting estimates and assessments involved impairment testing. Project financing is significant to our audit due to the importance of maintaining project financing, including compliance with applicable debt covenants.

Management prepares and reviews applicable debt covenant compliance and prepares impairment tests for all wind farms and solar plants at least at year-end, or more frequently if there is evidence of impairment. Impairment testing is based on the estimated recoverable amounts, which for this purpose are determined based on the value in use. The value in use is based on a Discounted Cash Flow (DCF) model and is calculated for the cash-generating units determined by Management.

Refer to notes 14, 24 and 30 in the consolidated financial statements.

How our audit addressed the above key audit matters

Our audit procedures included:

- Test of the decomposition and comparison of the useful life and scrap values used with assessments made and data provided by Greentech's technical department and other sources as well as inquiries of Management and the technical department.
- Examination of the value-in-use model prepared by Management, including consideration of the valuation methodology and the reasonableness of key assumptions and input data based on our knowledge of the business and industry together with available supporting evidence such as available budgets and externally observable market data related to energy prices, production, operating expenses and interest rates.
- Examination of a sensitivity analysis on assets with a higher risk of impairment, or with the potential for a reversal of a previously recognised impairment loss.
- Assessment of the adequacy of disclosures about key assumptions and sensitivity in note 14 to the consolidated financial statements.
- Test of debt covenant calculation and compliance with applicable debt covenants at 31 December 2016, including specific attention to the Group's attention to continued covenant compliance.
- Assessment of the adequacy of disclosures about project financing in note 30 to the consolidated financial statements.

Recoverability of deferred tax assets
The Group recognises deferred tax assets to the extent that it is probable that future tax profits will be available against which unused tax losses and deductible temporary differences can be utilised. The analysis of the recognition and recoverability of the deferred tax assets was significant to our audit, because the carrying amount in the consolidated financial statements is material, and the assessment process applied by Management is judgemental.

Refer to notes 10 and 22 in the consolidated financial statements.

How our audit addressed the above key audit matter

Our audit procedures included:

- Evaluating Managements' assumptions and estimates in relation to the likelihood of generating sufficient future taxable profits based on budgets and business plans for each cash-generating unit and tax jurisdiction, which also included an assessment of the historical accuracy of Management's estimates.
- Assessment of the adequacy of the disclosure in note 22, including distribution of the deferred tax assets between tax losses carry-forwards and deductible temporary differences.

Accounting for acquisition of La Castilleja Energia S.L.
On 20 December 2016, La Castilleja Energia S.L. was acquired by the Group. Management has assessed the fair value of assets and liabilities acquired in the business combination and has recorded a EUR 3,7 million gain from a bargain purchase in the income statement.
The business combination was significant to our audit, because there is a significant level of judgement involved in estimating the fair value of intangible assets and items of property, plant and equipment.
Refer to note 34 in the consolidated financial statements.

How our audit addressed the above key audit matter

Our audit procedures included:

- Assessment of the assumptions and methodology applied by Management to calculate the fair value of intangible assets and items of property, plant and equipment.
- Assessment of the reasonableness of key assumptions and input data in the calculation of fair value of intangible assets and items of property, plant and equipment based on our knowledge of the business and industry together with available supporting evidence.
- Assessment of the adequacy of disclosures about the business combination in note 34.

Statement on the Management's review
Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the Parent Company financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the Parent Company financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or the Parent Company financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we concluded that the Management's review is in accordance with the consolidated financial statements and the Parent Company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the consolidated financial statements and the Parent Company financial statements
Management is responsible for the preparation of consolidated financial statements and Parent Company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and Parent Company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the Parent Company financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the Parent Company financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the Parent Company financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the Parent Company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and Parent Company financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the Parent Company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the Parent Company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the Parent Company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the Parent Company financial statements, including the note disclosures, and whether the consolidated financial statements and the Parent Company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the Parent Company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Copenhagen, 29 March 2017

ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan C. Olsen
State Authorised
Public Accountant

Peter Andersen
State Authorised
Public Accountant

FINANCIAL STATEMENTS

GREENTECH ANNUAL REPORT 2016

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NOTES

Income statement

Note	1 JANUARY - 31 DECEMBER	GROUP		PARENT COMPANY	
Note	**EUR'000**	**2016**	**2015**	**2016**	**2015**
4	Revenue	46,586	47,321	951	1,479
5	Production costs	-26,052	-28,427	-1,019	-1,114
	Gross profit	**20,534**	**18,894**	**-68**	**365**
5,6	Administrative expenses	-6,602	-6,598	-2,411	-2,535
9	Other operating income	2,560	1,097	294	-
9	Other operating expenses	-2,236	-219	-226	-
13	Income from investments in associates	3,411	-1,053	-	-
	Operating profit/loss before impairment	**17,667**	**12,121**	**-2,411**	**-2,170**
34	Gain from a bargain purchase	3,722	-	-	-
13,14	Impairment of assets	-	4,714	-	14,285
9	Special items	391	749	391	749
	Operating profit/loss	**21,780**	**17,584**	**-2,020**	**12,864**
7	Financial income	698	583	7,164	5,519
8	Financial expenses	-9,220	-10,788	-477	-73
	Profit/loss before tax	**13,258**	**7,379**	**4,667**	**18,310**
10	Tax on profit/loss for the year	-1,859	-3,087	-128	-175
	Profit/loss for the year from continuing operations	**11,399**	**4,292**	**4,539**	**18,135**
26	Profit/loss for the year from discontinuing operations	-5,864	-2,948	-	-
	Profit/loss for the year	**5,535**	**1,344**	**4,539**	**18,135**
12	**EARNINGS PER SHARE**				
	Earnings per share (EPS), EUR before continuing operations	0,11	0,04		
	Earnings per share (EPS basic), EUR after discontinued operations	0,05	0,01		
	PROPOSED DISTRIBUTION OF PROFIT/LOSS				
	Proposed dividends			2,214	-
	Retained earnings			2,325	18,135
				4,539	**18,135**

Statement
of other comprehensive income

1 JANUARY - 31 DECEMBER	GROUP		PARENT COMPANY		Note
EUR'000	**2016**	**2015**	**2016**	**2015**	**Note**
Profit/loss for the year	**5,535**	**1,344**	**4,539**	**18,135**	
Other comprehensive income:					
Items subsequently reclassified to Profit and Loss:					
Gross value adjustment of hedging instruments	2,345	4,051	-	-	
Value adjustment of hedging instruments recognised to P&L	-1,668	-1,104	-	-	
Tax on fair value adjustment of hedging instruments	-139	-1,711	-	-	
Other comprehensive income in associated and joint ventures	341	193	-	-	
Exchange adjustment of translation to reporting currency	33	2	7	-2	
Exchange adjustment of foreign enterprises	143	-185	739	-444	
Total other comprehensive income	**1,055**	**1,246**	**746**	**-446**	
Comprehensive income for the year	**6,590**	**2,590**	**5,285**	**17,698**	

Balance sheet

at 31 December

Note	ASSETS EUR'000	GROUP 2016	GROUP 2015	PARENT COMPANY 2016	PARENT COMPANY 2015
	Goodwill	2,617	2,617	-	-
	Other intangible assets	32,021	30,205	-	-
14	**Total intangible assets**	**34,638**	**32,822**	**-**	**-**
	Land and building	3,019	1,756	-	-
	Plant and machinery	262,238	239,228	3,789	4,175
	Equipment	258	483	7	170
	Plant and machinery under construction	206	207	-	-
14	**Total property, plant and equipment**	**265,721**	**241,674**	**3,796**	**4,345**
12	Investments in subsidiaries	-	-	149,937	144,234
13	Investments in associates and joint ventures	24,959	26,217	25,329	32,466
15	Other non-current financial assets	25,507	30,973	29,076	25,463
	Other non-current assets	2	2	-	-
22	Deferred tax	20,809	18,646	-	-
	Other non-current assets	**71,277**	**75,838**	**204,342**	**202,163**
	TOTAL NON-CURRENT ASSETS	**371,636**	**350,334**	**208,138**	**206,508**
16	Inventories	236	229	-	-
17	Trade receivables	15,402	14,647	107	106
	Income tax receivable	3,804	3,536	-	-
18	Other current financial assets	1,370	3,377	-	-
19	Other current assets	5,858	6,443	63	42
	Cash at bank and in hand	30,344	24,902	7,405	5,387
	TOTAL CURRENT ASSETS	**57,014**	**53,134**	**7,575**	**5,535**
26	Assets classified as held for sale and discontinued operations	2,218	10,941	-	-
	TOTAL ASSETS	**430,868**	**414,409**	**215,713**	**212,043**

LIABILITIES AND EQUITY EUR'000	GROUP 2016	GROUP 2015	PARENT COMPANY 2016	PARENT COMPANY 2015	Note
Share capital	71,623	71,623	71,623	71,623	20
Share premium account	132,448	355,763	132,448	355,763	
Exchange adjustment reserve	-948	-1,124	-	-	
Hedging instrument reserve	-8,631	-9,169	-	-	
Retained earnings	3,929	-225,262	10,214	-218,386	
Share of equity held by equity holders of the parent	**198,421**	**191,831**	**214,285**	**209,000**	
Non-controlling interests	**-**	**-**	**-**	**-**	
TOTAL EQUITY	**198,421**	**191,831**	**214,285**	**209,000**	
Provision for deferred tax	7,247	4,645	321	320	22
Employee benefits	360	307	-	-	
Other deferred liabilities	7,640	4,678	291	283	23
Credit institutions	129,356	130,881	-	-	24
Derivatives	13,279	12,016	-	-	30
Non-current liabilities	**157,882**	**152,527**	**612**	**603**	
Current portion of long-term bank debt	54,744	49,703	-	201	24
Trade payables	2,936	3,272	177	67	
Income tax	1,816	1,559	170	32	
Other current liabilities	4,168	5,263	469	2,140	25
Derivatives	8,683	7,198	-	-	30
Current liabilities	**72,347**	**66,995**	**816**	**2,440**	
TOTAL LIABILITIES	**230,229**	**219,522**	**1,428**	**3,043**	
Liabilities classified as held for sale and discontinued operations	2,218	3,056	-	-	26
TOTAL LIABILITIES AND EQUITY	**430,868**	**414,409**	**215,713**	**212,043**	

Statement of changes in equity
at 31 december

GROUP

EUR'000	Share capital	Share premium account	Exchange adjustment reserve	Hedging instruments reserve	Retained earnings	Total
Equity at 1 January 2015	**71,623**	**355,763**	**-933**	**-10,406**	**-226,606**	**189,441**
Profit/Loss for the period	-	-	-	-	1,344	1,344
Other comprehensive income	-	-	-183	1,236	193	1,246
Acquisiton of share from minority interests	-	-	-	-	-200	-200
Other movements	-	-	-8	1	7	-
Equity at 31 December 2015	**71,623**	**355,763**	**-1,124**	**-9,169**	**-225,262**	**191,831**
Equity at 1 January 2016	**71,623**	**355,763**	**-1,124**	**-9,169**	**-225,262**	**191,831**
Profit/Loss for the period	-	-	-	-	5,535	5,535
Other comprehensive income	-	-	176	538	341	1,055
Transferred	-	-223,315	-	-	223,315	-
Equity at 31 December 2016	**71,623**	**132,448**	**-948**	**-8,631**	**3,929**	**198,421**

PARENT COMPANY

EUR'000	Share capital	Share premium account	Retained earnings	Total	Note
Equity at 1 January 2015	**71,623**	**355,763**	**-236,075**	**191,311**	
Profit/Loss for the year	-	-	18,135	18,135	
Other comprehensive income	-	-	-446	-446	
Equity at 31 December 2015	**71,623**	**355,763**	**-218,386**	**209,000**	
Equity at 1 January 2016	**71,623**	**355,763**	**-218,386**	**209,000**	
Profit/Loss for the year	-	-	4,539	4,539	
Other comprehensive income	-	-	746	746	
Transferred	-	-223,315	223,315	-	21
Equity at 31 December 2016	**71,623**	**132,448**	**10,214**	**214,285**	

Share premium account can be used for dividend.

Accounting policy
Exchange adjustment reserve

The translation reserve in the Consolidated Financial Statements comprises exchange adjustments arising from the translation of the Financial Statements of foreign enterprises from their functional currencies into the presentation currency (EURO) of the Greentech Group.

On full or partial realisation of a net investment. foreign exchange adjustments are recognized in the Income Statement.

Hedging instruments reserve
The hedging instruments reserve in the Consolidated Financial Statement is related to changes in the fair value of derivative financial instruments classified as hedging of expected future transactions.

Accounting policy
Dividend

Dividend is recognised as liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Cash flow statement

1 JANUARY - 31 DECEMBER	GROUP		PARENT COMPANY	
EUR'000	**2016**	**2015**	**2016**	**2015**
Profit/loss for the year from continuing operations	11,399	4,292	4,539	18,135
Adjustments to reconcile profit/loss for the year to net cash flow:				
Depreciation and amortization on property, plant and equipment	16,155	16,167	564	577
Impairment of assets	-	-4,714	-	-14,285
Gain from a bargain purchase	-3,722	-	-	-
Income from associates	-3,411	1,053	-	-
Other adjustments	-1,626	-	-	-
Financial income	-698	-583	-7,164	-5,519
Financial expenses	9,220	10,788	477	73
Tax	1,859	3,087	128	175
Profit/loss for the year from discontinuing operations	-5,864	-2,948	-	-
Adjustments to cash flow before change in working capital, discontinued operations	3,918	-329	-	-
Cash flow before change in working capital	**27,230**	**26,813**	**-1,456**	**-844**
Change in working capital	-1,028	-2,952	-739	-2,469
Change in working capital from discontinued operations	538	122	-	-
Cash flow from operations	**26,740**	**23,983**	**-2,195**	**-3,313**
Dividends from associates/subsidiaries	-	-	4,203	2,286
Interest received	697	380	286	206
Interest paid	-9,455	-10,313	-49	-73
Tax paid	-1,827	-1,915	10	-7
Cash flow from other operating activities discontinued operations	-	-	-	-
Cash flow from operating activities	**16,155**	**12,135**	**2,255**	**-901**
Purchase of property, plant and equipment	-1,312	-1,070	-	-39
Sale of associates	-	2,740	-	-
Sale of property, plant and equipment	-16	155	-	39
Acquisition of a subsidiary, net of cash acquired*	-1,046	-200	-3,750	-
Sale of Subsidiaries*	2,193	-	-	-
Decrease in loans to associates and JV	3,450	1,745	3,450	1,745
Decrease in loans to subsidiaries	-	-	2,723	1,379
Increase in loans to subsidiaries	-	-	-2,487	-8,738
Cash flow from investing activities discontinued operations	-109	-453	-	-
Cash flow from investing activities	**3,160**	**2,917**	**64**	**-5,614**

>>> 1 JANUARY - 31 DECEMBER	GROUP		PARENT COMPANY	
EUR'000	**2016**	**2015**	**2016**	**2015**
Decrease in other financial receivables	11,227	1,368	-	-
Increase in other financial receivables	4,255	-2,679	-	-743
Decrease in financial receivables to related companies	61	-428	-	-
Repayment of debt to credit institutions	-29,267	-17,549	-197	-196
Loans raised with credit institutions	-	1,940	-	-
Cash flow from financing activities discontinued operations	-	338	-	-
Cash flow from financing activities	**-13,724**	**-17,010**	**-197**	**-939**
Cash flow for the year from continuing operations	7,107	1,312	1,994	-7,454
Cash flow for the year from discontinued operations	-1,517	-3,270	-	-
Cash flow for the year	**5,591**	**-1,958**	**1,994**	**-7,454**
Exchange adjustment of cash at the beginning of the year	7	-31	24	-27
Cash and cash equivalents at the beginning of the year	25,196	27,185	5,387	12,868
of which Discontinued operations	294	204	-	-
Cash and cash equivalents, year end	**30,794**	**25,196**	**7,405**	**5,387**
of which Discontinued operations	450	294	-	-

The cash flow statement cannot be derived using only the published financial data.

* Since these amounts are represented from an accounting perspective, they do not correspond to the real price of each transaction. This amount is EUR 3.7M for the acquisition of La Catilleja and EUR 3.3M for the sale of Fotocampillos, as announced in the respective Company announcements.

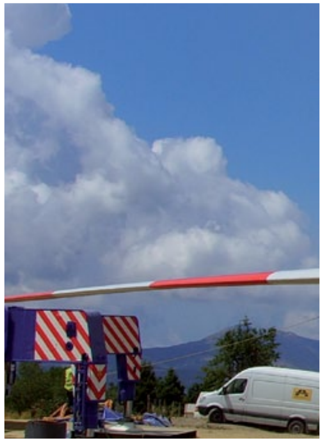
Accounting policy

The cash flow statement shows the cash flow for the year from operating, investing and financing activities. The cash flow statement is presented using the indirect method on the basis of the profit/loss of the year. The cash flow statement shows cash flow for the year, as well as cash and cash equivalents at the beginning and at the end of the financial year. Cash flow from operating activities is calculated as profit/loss of the year adjusted for non-cash operating items and working capital changes. Cash flow from investing activities comprises payments in connection with acquisition and divestment of enterprises or assets. Cash flow from financing activities comprises the raising of loans, installments on loans, payment of dividends and increases of the share capital. Cash flow concerning acquired companies is recognized from the date of acquisition, while cash flow concerning divested companies is recognized until the date of divestment.

Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and in hand and short-term deposits with an original maturity of less than three months. Cash and cash equivalents include cash and bonds less short-term bank debt. Cash and cash equivalents include free cash available for the holdings and cash available only for the operations of the project companies.

Please also refer to Note 30.



Minerva Messina
Italy

1. ACCOUNTING POLICIES

Basis of preparation
Greentech Energy Systems A/S is a public limited company incorporated in Denmark and listed on NASDAQ Copenhagen.

Annual report for the Group and the Parent Company has been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and additional requirements in the Danish Financial Statement Act.

The Annual Report is presented in EURO.

Change of accounting policies, including presentation and implementation of financial reporting standards

The accounting policies are unchanged compared to last year. However, the presentation of the notes has been revised.

New standards and interpretations
No EU adopted IFRS standards and interpretations with relevance for Greentech were implemented in 2016.

New standards and interpretations not yet entered into force
The IASB has issued a number of new or amended standards and interpretations with effective date post 31 December 2016, some of which have not yet been endorsed by the EU. The new and amended Standards and Interpretations are not mandatory for the financial reporting for 2016.

Greentech expects to adopt the Standards and Interpretations when they become mandatory.

We expect that IFRS 16: Leases will impact the financial reporting of the Group as the Group has operational lease commitments. The adoption of IFRS 16 will result in an increase of total assets and total liabilities. The adoption of the new standard will also result in higher EBITDA, however, this will partially or entirely be offset by increased depreciations. Furthermore, the classification in the Cash flow statement will also be affected.
The standard is effective for annual periods beginning on 1 January 2019.
IFRS 15: Revenue from Contracts with Customers establishes a comprehensive model for recognising revenue from customer contracts. Greentech has performed an assessment of IFRS 15 and conclude that the implementation of IFRS 15 will not have material impact on the recognition and measurement of revenue.
The standard is effective for annual periods beginning on 1 January 2018.
IFRS 9: Financial Instruments was issued in July 2014 and is effective for annual periods beginning on 1 January 2018. Greentech has performed a preliminary high-level assessment of IFRS 9, which is subject to changes arising from a more detailed ongoing analysis. Overall, Greentech expects no significant impact on recognition and measurement.

None of the other standards and interpretations are expected to have a significant impact on recognition and measurement, but they will lead to further specifications in the Notes.

Consolidation method
Relevant principles of consolidation are as follows:

- the Consolidated Financial Statements include the Financial Statements of the Company and the companies in which it holds a controlling interest, from the date control over such subsidiaries begins until the date that control ceases. Control exists when the Group has the majority of voting rights or has the power, directly or indirectly, to govern, also through contractual agreements, the financial and operating policies of an enterprise so as to obtain benefits from its activities;
- the Consolidated Financial Statements are based on the Financial Statements of the individual Group companies prepared for the same reporting period using consistent accounting policies. The Financial Statements have been prepared under the historical cost convention, except for certain financial assets and liabilities measured at fair value as described in the Notes. The closing date of the Financial Statements of the individual Group companies utilized in the consolidation is the same closing date of the Consolidated Financial Statements. Such Financial Statements are adjusted, where necessary, to comply with Group accounting policies;
- all significant intra-Group balances and transactions, including unrealized profits arising from intra-Group transactions, are eliminated in full. Unrealized profits and losses resulting from transactions with associates are eliminated for the amount attributable to the Group; the acquisition of controlling investments from third parties are accounted for by the acquisition method of accounting and the excess between the consideration transferred and the amount recognised for non-controlling interest over the fair value of the identifiable assets acquired, less liabilities assumed, is allocated to goodwill. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the Income Statement. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Acquisition-related costs are accounted for in the Income Statement as expenses in the period in which the costs are incurred;
- if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Consolidated Financial Statements present provisional amounts for the items for which the accounting is incomplete. The measurement period for the completion of the accounting does not exceed one year from the acquisition date. During the measurement period, the Company recognizes retrospectively the adjustments to the provisional amounts to reflect new information obtained about facts and circumstances that existed at the acquisition date and which, if known, would have affected the measurement of the amounts recognized at that date;
- the assets, liabilities, revenues and expenses of the consolidated companies have been consolidated on a line-by-line basis; non-controlling interests in shareholders' equity and net income are disclosed separately in the consolidated balance sheet and included in the consolidated Income Statement. Losses within a subsidiary are attributed to the noncontrolling interest even if that results in a deficit balance;

- when acquiring minority interests, the net assets are not valued at fair value. The difference between the consideration and the minority's share of the book value inclusive of goodwill is transferred from the minorities share of the equity to the share of the equity related to the shareholders of Greentech;

- if the Group loses control over a subsidiary, it:
  - derecognises the assets (including goodwill) and liabilities of the subsidiary;
  - derecognises the carrying amount of any noncontrolling interest;
  - derecognises the cumulative translation differences, recorded in equity;
  - recognises the fair value of the consideration received;
  - recognises the fair value of any investment retained;
  - recognises any surplus or deficit in the Income Statement;
  - reclassifies the parent's share of components previously recognised in other comprehensive income to Income Statement or retained earnings, as appropriate;

Foreign currency translation

Functional currency and reporting currency

The Group determines a functional currency for each reporting entity in the Group. The functional currency is the currency used in the primary financial environment in which the individual reporting entity operates. Transactions in currencies other than the functional currency are foreign exchange transactions. The functional currency of the Parent company is Danish kroner (DKK), but out of consideration for the Group's international relations the Consolidated Financial Statements are presented in euro (EUR).

Translation to reporting currency
The Balance Sheet is translated to the reporting currency based on the EUR rate at the Balance Sheet date. The Income Statement is translated at the rate at the date of the transaction. An average rate for the year is used as the rate at the date of the transaction to the extent that this does not give materially different view.

On initial recognition, transactions denominated in foreign currencies are translated into the functional currency at the exchange rate ruling at the transaction date. Exchange differences arising between the exchange rate at the transaction date and the exchange rate at the date of actual payment are recognized in the Income Statement under financial income or financial expenses.

Receivables, payables and other monetary items in foreign currencies are translated at the exchange rates at the Balance Sheet date. The exchange rate ruling at the date when the receivable or payable arose or the exchange rate applied in the most recent annual report is recognized in the Income Statement under financial income or financial expenses.

On consolidation of companies with functional currencies other than EUR, the Income Statement is translated at the exchange rates ruling at the transaction date, and the Balance Sheets is translated at the exchange rate ruling at the respective Balance Sheet date. The average exchange rate for each individual month is used as the rate at the transaction date, provided this does not give a much different view. Exchange differences arising from the translation of the opening equity of such companies at the exchange rate ruling at the Balance Sheet date and on the translation of the income statement from the exchange rate ruling at the transaction date to the exchange rate ruling at the Balance Sheet date are taken through other comprehensive income directly to equity under a separate reserve for currency translation.

Exchange adjustments of balances that represent part of the total net investment in enterprises with a functional currency other than EUR are recognized through other comprehensive income directly in equity in the Consolidated Financial Statements under a separate reserve for currency translation. Similarly, exchange gains and losses on the portion of loans and derivative financial instruments entered into to hedge the net investment in these enterprises and which constitute effective hedging against corresponding exchange gains/loss on net investment in the enterprise are recognized through other comprehensive income directly in equity under a separate reserve for currency translation.

On recognition in the Consolidated Financial Statements of associates with a functional currency other than EUR, the share of results for the year is translated at average exchange rates, and the share of equity including goodwill is translated at the exchange rates at the Balance Sheet date.

Exchange adjustments arising from the translation of the share of the opening equity of foreign associates at exchange rates at the Balance Sheet date and on the translation of the share of results for the year from average exchange rates to exchange rates at the Balance Sheet date are recognized through other comprehensive income directly in equity under a separate reserve for currency translation.

Impairment of financial assets

At each reporting date, the Group assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has a reasonably estimated impact on the estimated future cash flow of the financial asset or the group of financial assets. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulties, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial restructuring and where observable data indicate that there is a measurable decrease in the estimated future cash flow, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost
For financial assets carried at amortized cost, first the Group assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and

collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flow (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flow is discounted at the original effective interest rate of the financial asset. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the Income Statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the interest rate used to discount the future cash flow for the purpose of measuring the impairment loss.

The interest income is recorded as part of finance income in the Income Statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is adjusted to finance costs in the Income Statement.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of the fair value of the asset or the cash-generating unit (CGU) less costs to sell, and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflow that is largely independent from the cash flow of other assets or groups of assets. If the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flow is discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time-value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognized in the Income Statement in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, or CGU, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the recoverable amount since the last impairment loss was recognized.
The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.
Such reversal is recognized in the Income Statement unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Definitions

Earnings per share (EPS) and diluted earnings per share (D-EPS) are calculated according to IAS 33. Other key ratios are calculated in accordance with "Recommendations and Ratios 2015" issued by the Danish Finance Society.

Gross margin	Gross profit/loss x 100 / Revenue
EBITDA margin	Earnings before interest, tax, depreciation and amortisation (EBITDA) / Revenue
EBIT margin	Earnings before interest and tax x 100 / Revenue
Equity ratio	Equity (end of year) excl minority interests x 100 / Total assets
Return on equity	Net profit/loss x 100 / Average equity
Earning Per Share Basic (EPS Basic)	Net profit/loss / Average number of shares in circulation
Net asset value per share (BVPS)	Equity / Number of shares, year end
Price/net asset value	Market price / BVPS
Net working capital (NWC)	Inventories + Trade Receivables + Other Current Assets - Trade Payables (excluding Trade Payables related to Assets Under Construction and current tax assets/liabilities) - Other Current Liabilities
Gearing ratio	Net interest-bearing debt / Equity incl minority interests
Return on invested capital (ROIC)	EBIT / Average invested capital
Invested capital	NWC + property, plant and equipment + intangible assets- other provisions- other non-current liabilities

2. MATERIAL ACCOUNTING ESTIMATES AND UNCERTAINTIES

Estimates and assessments
The calculation of the carrying amounts of certain assets and liabilities at the Balance Sheet date requires an estimate of how future events will affect the value of such assets and liabilities. Estimates vital to the financial reporting are made in the calculation of, inter alia, depreciation, amortisation and impairment losses, provisions as well as contingent liabilities and assets.

The estimates applied are based on assumptions which Management believes to be reasonable, but which are inherently uncertain and unpredictable.
Such assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise afterwards. In addition, the Company is subject to risks and uncertainties that may cause actual results to deviate from the estimates. Risk factors which are specific to the Group are described in Note 3.

To the extent possible, the notes to the financial statements disclose information about assumptions regarding the future and other estimation uncertainties relating to estimates at the balance sheet date involving a considerable risk of changes that could lead to a material adjustment of the carrying amount of assets or liabilities within the upcoming financial year.

The accounting estimates which are relevant to the Management Board in the preparation of the Consolidated Financial Statements are described in note 14, 22, 30 and 34.

3. RISK MANAGEMENT

Greentech's risk management activities apply to the individual projects and are related to a wide range of parameters, including political and regulatory matters. Risk management operations are currently approved by the Board of Directors at its meetings. In addition to risks relating to the individual projects, Greentech also seeks to manage its overall risks by diversifying its operations in several countries under different tariff systems, and in the individual countries, by diversifying its operations in different regions. Additionally Greentech seeks to manage its overall risks by a diversification in the technologies applied.

Greentech carefully evaluates every single project offered to the Company before committing resources to such project. The evaluation is formalised in a comprehensive due diligence review, including legal, financial and technical audits and other relevant criteria. In spite of a thorough reviewing process, there will always be risks related to the Company's activities.

Greentech's activities cover the following two phases:
3) Operation of renewable energy projects
4) Acquisition of renewable energy projects

The specific risks related to the two phases are reviewed below. The review contains the risks that Greentech has identified on the basis of its experiences to date. The review is not necessarily exhaustive and the various risks have not been prioritised.

Operations of renewable energy projects
The risk of operating renewable energy projects basically relate to weather conditions, the mechanical operations of the wind turbines/ solar panels, credit risk related to the buyer of electricity and green certificates, political risks and variations in settlement prices.

Risk relating to weather conditions
Weather conditions may vary and impact production and thereby earnings in the individual plant. To minimise this risk, the Company only considers projects for which weather conditions have been analysed with data covering a period of not less than 12 months. Often, there will also be weather data generated by referenced measuring stations over a longer period to support the data measured. Even with lengthy weather measurements, however, and under normal operations of the projects, changes will occur in weather conditions, which may affect the results of a specific year.

Mechanical risk
Operating failures may occur resulting in the projects not generating power for short or long periods of time.

Greentech seeks to minimise this risk by concluding current service and maintenance agreements with suppliers of wind turbines and electrical installations. The agreements bind the suppliers to react as quickly as possible to operating failures. Greentech focuses on the supplier having a well-functioning service organisation in the country where the operating assets are located.

During the service and maintenance period, the wind turbine supplier also guarantees that the turbines are available for production typically 95-97% of the time. Where this is not the case, the wind turbine supplier is liable to pay a penalty.

Greentech has an internal department managing the solar projects. Greentech has implemented its own monitoring system of solar projects, which gives complete control of the actual operating status and performance of each project.
This system enables immediate action if operating issues arise and, consequently, minimises the loss of production.

Greentech's renewable energy projects are insured against consequential losses. The typical consequential loss insurance covers production loss due to technical problems with a deductible for the first 48-120 hours. The consequential loss is calculated on the basis of production figures from other power-generating units in the project. The insurance does not cover consequential losses due to lack of wind/solar, grid errors, grid failure, repairs and other disturbances that may reduce the output capacity of the project.

Credit risk related to the buyer
In Germany and Poland, the electricity generated by the wind turbines is sold to the power company in the area where the wind turbines are installed. Hence, the credit risk is related to the power company and as these are typically financially very strong, this risk is limited.
In Denmark, the electricity is sold at government-stipulated rates to the system operator, which does not give rise to any settlement risk. In Italy, electricity generated by renewable projects is sold through a power exchange, where only players who meet their obligations may participate. Greentech considers this to be an acceptable credit risk.

Green certificates are traded in Poland and Italy in an exchange system in which the administrator of the exchange system guarantees the payment of the green certificates.
In both countries, government-owned companies act as administrators. The credit risk on the green certificates is therefore a country risk for both Poland and Italy.

In Spain, the electricity generated by the renewable energy projects is sold to the power companies that are bound to buy the energy at the National stipulated feed-in-tariff. The power companies are counter guaranteed by the Government and therefore this is considered as being a country risk.

Political risk
The Company's investment calculations are based on the laws and settlement terms applying at the time when the individual investment is decided. If the regulatory framework changes as a result of political decisions, this could impact the profitability of the individual investment. Both in Poland and Italy, producers of renewable energy from wind are subsidised by the green certificates and the income from the sale of these certificates is a supplement to the price of the power produced. This also applies to Spain as well as to solar projects in Italy where subsidisation takes place by way of guaranteed tariffs for the life of the project. If the rules on allocation and settlement of green certificates are changed, this could impact the Company's income base.

Risk related to variations in settlement prices
A wind farm is estimated to have a technical lifetime of 25 years (according to the reassessment made by the Group at the beginning of 2015, the useful life of the wind farms shifted from 20 to 25 years) and a solar project is estimated to have a technical lifetime of 25 - 30 years. Naturally, investment calculations for such a long time horizon must be based on a number of assumptions, such as developments in settlement prices.

The settlement price of Greentech wind assets in Italy and Poland is based on a granted incentive composed of Green Certificates and Energy Market Price for 15 years; in Spain it is calculated through a fixed price by the Authority on a plant-by-plant basis for 25 years plus the Energy Market Price; in Denmark it is related to the transition rules of 1999 which stipulate a variable price structure for 20 years plus the Energy Market Price; in Germany it is based on Power Purchase Agreements which grant a fixed price for each plant for 20 years.

The settlement price of Greentech solar assets in Italy and Spain is based on guaranteed tariffs for a period of 20 and 30 years respectively.

Acquisition of renewable energy projects

Greentech has a strategy of making acquisitions of operating renewable energy projects. Acquisition may take place by way of acquiring individual projects or by way of acquisition of/merger with companies with portfolios of renewable energy projects. Risks arising during the acquisition process concern primarily access to information, regulatory requirements, possibility of transferring rights/financing, etc, determination of acquisition price and price structure as well as expenses incurred with respect to the acquisition activities.

Risk related to access to and possibility of information verification
Especially in connection with acquisition of companies there may be, in some cases, limits to the scope of information available with respect to technical, legal, tax and financial matters. Limits may also be encountered with respect to the possibility of having such information verified. This may result in material risk related to the calculation of the expected yield from a possible investment.

Greentech has a procedure in place for assessing potential acquisition targets and has specific requirements for information, the analysis of such information as well as the testing/verification of the information.
The Company has developed calculation models for the financial valuation of projects.

Regulatory requirements risk
In connection with the acquisition of a single project there may be local regulatory requirements concerning the transfer of the title to the projects related to rights of the use of land, connection to the electricity grid or guaranteed tariffs. Transfer of such matters is decisive to the profitability of a project.

In connection with the acquisition of companies, the above matters may also apply and there may moreover be regulatory requirements by way of competition laws, duty to prepare prospectuses, redemption offers, etc.

During all acquisition processes, Greentech will lever on the assistance from well-esteemed legal advisers with special competence within this field. This ensures that Greentech can optimise a potential take-over and ensure that terms and conditions incorporated into the agreements make the acquisition conditional to regulatory acceptance.

Risk related to possibility of transfer of rights/financing
Any take-over of projects or companies may involve a number of agreements including service and maintenance agreements, production sales agreements as well as financing arrangements containing special clauses for change in ownership. The transfer of such agreements is decisive to the profitability of the project.

Risk reated to determination of the acquisition price and price structure
To the extent possible, Greentech wants to utilize the Company's treasury shares in connection with acquisition of companies. As the Company's share price may be volatile and the seller may have special requirements as to the liquidity of Greentech' shares, this may have a material impact on the investment.

In an acquisition, Greentech will determine the possible price structure as well as the market price and number of shares to be used for the acquisition as soon as possible. This minimises the risk of fluctuation in the yield of the investment.

Risk related to expenses incurred for acquisition activities
In connection with acquisition of projector companies, the Company uses a number of external consultants as technical, legal and financial experts. Although fee agreements are concluded in contracting such experts, budget overrun may occur due to significant increase in scope of work or additional regulatory requirements. This may result in reduced profitability of the investment.

Greentech has prepared a procedure for assessing potential reinvestment targets and has specific requirements for testing/verifying the information. Moreover, the Company has developed comprehensive financial valuation models of the projects.

General risks

Intellectual capital
The Company's core competencies involve project evaluation, financial engineering and operating renewable energy projects. A few key employees at Greentech have comprehensive knowledge and experience in these fields which enable the Company to make decisions on a well-documented basis and Management also has a substantial network in the Company's focus markets and in the industry. Greentech aims to retain these key employees by offering them challenges in a dynamic company, attractive pay and working conditions. To

date, Greentech has not encountered difficulties in recruiting or retaining employees.

Interest rate risk
Rises in interest rates may harm the profitability of individual projects, because 50-80% of the project sum is debt-funded. Thus, the policy of the Company is to conclude interest rate hedge agreements to minimize this risk where the interest rate is variable. Therefore, when concluding large project financing agreements the Company also concludes a so-called "hedge agreement" which ensures that the final interest rate only fluctuates by a small spread of usually 2-2.5%.
Reference is made to Note 30.

Currency risks
There is a sound currency equilibrium in Greentech's cash inflow and outflow and between assets and liabilities.
Greentech's net interest-bearing debt is primarly denominated in EUR. Similarly, the main operating expenses are in EUR, which is the currency in which Greentech expects to generate most of its income going forward.

Consequently, the Company's future accounting figures for operations and investments may be affected by possible exchange rate fluctuations throughout the entire process from budgeting and investment until payment is made or received. Refer to Note 30.

Project financing
The production of energy is a capital intense business requiring financing provided largely by credit institutions. Therefore, the optimization of the capital structure of the Company is a key element of the overall performance of the business.

For each project, the Company makes an assessment of the maximum leverage to obtain from the credit institutions subject to the performance of the project.
The higher the leverage, the higher the internal rate of return of each project.
But an excessive leverage could also lead to a breach of covenants or a reduced cash flow to the shareholder when the performance of the project is affected by operating risks such as poor weather conditions or a decrease in energy price.

Greentech has a number of existing material financing contracts which could impact the transferability in the event of a takeover. A change in ownership and control on the project Companies could impact the current financing agreements.
A potential new owner should be accepted by the financing parties in order to avoid the anticipated reimbursement of the outstanding debt. Should the potential owner neither be accepted by the current financing parties nor be able to find new financing parties, the ownership of the assets would be transferred to the current financing parties.

Environmental risk
There are no special environmental risks related to Greentech's activities. On the contrary, renewable energy generation contributes to a cleaner and better environment. All projects require local environmental approval, which ensures that the Company acts in accordance with applicable legislation.

Insurance risk
Greentech uses insurance to cover the most significant risks, but there can be no assurance that the Company is or will be 100% covered in case of major disruptions in production at the wind farms or solar plants.

Research and development risk
Greentech has no independent research and development activities, but exploits the latest knowhow of wind turbine/solar panel manufacturers and other business partners.

4. SEGMENT INFORMATION

Accounting policy

Revenue recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duty.

Sale of goods
Income from sales of goods is recognized upon appropriate transfer of ownership.

Sales of electricity
Revenue from the sale of electricity is recognised from the time when production output was delivered to the power network but has still not been invoiced, and is calculated on the basis of readings of installed production metres.
Revenue is calculated in accordance with the domestic laws applicable in the country where it is produced. Revenue from green certificates and other incentive systems is recognized as revenue at the time when the related power is generated. Revenue is recognized on the basis of the average price of green certificates in the period when entitlement is earned.

Rendering of services
Revenues from services rendered are recognized in the Income Statement according to the stage of completion of the service and only when the outcome of the service rendered can be estimated reliably.

Production costs
Production costs comprise the costs incurred to obtain the revenue for the year. Cost comprises consumables as well as maintenance and depreciation, etc.

Administrative expenses
Administrative expenses comprise expenses for wages and salaries, office premises, office expenses, sales expenses, travelling expenses, advisory services and depreciation, etc.

Segment information
Segment reporting is made in respect of different technologies, which are the Group primary segments. Segments are based on the Group's structure and internal financial reporting system as determined by the Management Board.
Segment information has been prepared in accordance with the Group accounting policies.

Segment income and segment costs as well as segment assets and liabilities comprise those items that can be directly attributed to each individual segment and those items that can be allocated to the individual segments on a reliable basis.

	WIND		SOLAR		OTHER		DISCONTINUED		GROUP	
EUR'000	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Revenue	28,821	29,018	17,273	17,966	492	337	-	-	46,586	47,321
EBITDA**	20,303	20,687	11,576	12,225	-1,469	-3,571	-	-	30,411	29,341
Operating profit/loss (EBIT)	13,315	15,113	10,195	9,186	-1,730	-6,715	-	-	21,780	17,584
Gain from a bargain purchase	-	-	3,722	-	-	-	-	-	3,722	-
Income from investments in associates	1,978	-386	1,433	-451	-	-216	-	-	3,411	-1,053
Special items	-	-	-	-	391	749	-	-	391	749
Profit/loss before tax	6,371	6,162	5,117	3,563	1,770	-2,346	-	-	13,258	7,379
Profit/loss for the year from continuing operations	5,543	4,754	3,813	1,972	2,043	-2,434	-	-	11,399	4,292
Profit/loss for the year from discontinuing operations	-	-	-	-	-	-	-5,864	-2,948	-5,864	-2,948
Profit/loss or the year	**5,543**	**4,754**	**3,813**	**1,972**	**2,043**	**-2,434**	**-5,864**	**-2,948**	**5,535**	**1,344**
Non-current assets	213,491	230,806	150,464	118,414	7,681	1,114	-	-	371,636	350,334
-of which shares in associates and jv	24,959	22,640	-	3,577	-	-	-	-	24,959	26,217
Addition, fixed assets	5	388	6	63	1,301	619	-	-	1,312	1,070
Depreciation	-8,966	-8,905	-6,536	-6,568	-653	-694	-	-	-16,155	-16,167
Impairment	-	-	-	-	-	-2,983	-	-	-	-2,983
Impairment, reversal of prior year	-	3,717	-	3,980	-	-	-	-	-	7,697
Current assets	21,690	20,720	19,394	15,409	15,930	17,005	-	-	57,014	53,134
Assets classified as held for sale and discontinued operation	-	-	-	-	-	4,031	2,218	6,910	2,218	10,941
Segment assets	**235,181**	**251,526**	**169,858**	**133,823**	**23,611**	**22,150**	**2,218**	**6,910**	**430,868**	**414,409**
Liabilities classified as held for sale and discontinued operations	-	-	-	-	-	806	2,218	2,250	2,218	3,056
Segment liabilities	**90,428**	**110,657**	**138,497**	**106,611**	**1,304**	**3,060**	**2,218**	**2,250**	**232,447**	**222,578**
Average number of employees	5	5	3	3	27	32	18	25	52	65
Number of employees	5	5	3	3	26	29	16	21	50	57

The segment table on the left represents the Group's operating segments. "Other" includes administrative expenses and all development and construction activities that cannot be allocated to segments.

There are no material transactions between the reporting segments, and the revenue listed for the segments is therefore external revenue. All eliminated intra-group transactions are included in "Other" and amounts to EUR 2,885K (2015: 2,639K).

The following table presents a view of intangible and tangible assets and revenue by geography.

	INTANGIBLE AND TANGIBLE ASSETS		REVENUE	
EUR'000	**2016**	**2015**	**2016**	**2015**
Italy	200,053	211,378	36,665	35,199
Spain	86,800	48,690	6,438	7,238
Germany	7,608	7,803	2,308	3,055
Denmark	4,101	4,680	956	1,484
Poland	1,797	1,945	219	345
Total	**300,359**	**274,496**	**46,586**	**47,321**
Transferred in held for sale and discontinued operations				
Italy	-	2,481	1,804	4,073
Poland	-	3,625	-	-
Assets in discontinued operations	**-**	**6,106**	**1,804**	**4,073**

For Wind and Solar segments, there is no private customer and the revenue is fully originated by the sales of electricity to the domestic grid operator.

5. PRODUCTION COSTS AND ADMINISTRATIVE EXPENSES

Staff costs	GROUP		PARENT COMPANY	
EUR'000	**2016**	**2015**	**2016**	**2015**
Wages and salaries	2,543	2,587	745	767
Pensions	107	113	9	13
Other social security costs	505	539	4	5
Total Staff costs	**3,155**	**3,239**	**758**	**785**
included in discontinued operations	**886**	**1,409**	**-**	**-**
Board of Directors (remuneration)	266	275	266	275
Management (salary)	519	506	519	506
Management (provision for potential and paid bonus)	119	101	119	101
Total remuneration to Board of Directors and Management	**904**	**882**	**904**	**882**
Staff costs are recognised as follows:				
Production costs	445	451	-	-
Administrative expenses	2,710	2,788	758	785
Total Staff Costs	**3,155**	**3,239**	**758**	**785**

Staff costs	GROUP		PARENT COMPANY	
EUR'000	**2016**	**2015**	**2016**	**2015**
Average number of employees	54	40	5	6
Number of employees	34	36	5	5
- Of which consultants	1	1	-	-
- Of which employee under notice	2	1	1	-
included in discontinued operations				
Average number of employees	18	25	-	-
Number of employees	16	21	-	-

Depreciation	GROUP		PARENT COMPANY	
EUR'000	**2016**	**2015**	**2016**	**2015**
Depreciation is recognised as follows:				
Production costs	15,799	15,755	401	400
Administrative expenses	356	412	163	177
Total depreciation	**16,155**	**16,167**	**564**	**577**
included in discontinued operations	**407**	**331**	**-**	**-**

For depreciation allocated on assets see Note 14.

6. FEE TO AUDITORS APPOINTED AT THE GENERAL MEETING

	GROUP		PARENT COMPANY	
EUR'000	**2016**	**2015**	**2016**	**2015**
Ernst & Young:				
Audit services	361	429	144	170
Tax advice	33	61	23	18
Non-audit services	32	30	4	30
Total fee to Auditors	**426**	**520**	**171**	**218**
included in discontinued operations	**25**	**25**	**-**	**-**

7. FINANCIAL INCOME

Accounting policy

Interest income and expenses

Financial income and Financial expenses comprise interest income and interest costs, realized and unrealized foreign exchange gains and losses.

Financial income and Financial expenses also include fair value adjustment of derivatives used to hedge liabilities, and income and costs relating to cash flow hedges that are transferred from Other comprehensive income on realization of the hedged item.

Dividends

Dividends are recognised when the dividend is declared and approved by the General Meeting.

	GROUP		PARENT COMPANY	
EUR'000	**2016**	**2015**	**2016**	**2015**
Interest on receivables from subsidiaries	-	-	2,859	2,857
Interest on receivables from associates and joint ventures	103	180	103	171
Interest on bank account	524	165	-	3
Interest income	**627**	**345**	**2,962**	**3,031**
Exchange adjustment	1	202	-1	202
Fair value adjustment of financial derivatives	70	36	-	-
Dividend from subsidiaries	-	-	4,203	2,286
Impairment of subsidiary related to the received dividend	-	-	-	-
Total financial income	**698**	**583**	**7,164**	**5,519**
included in discontinued operations	**1**	**10**	**-**	**-**

8. FINANCIAL EXPENSES

	GROUP		PARENT COMPANY	
EUR'000	**2016**	**2015**	**2016**	**2015**
Interest on payables to associates and joint ventures	-	-	5	5
Interest on bank loans	4,704	5,826	52	68
Interest expenses	**4,704**	**5,826**	**57**	**73**
Fair value adjustment of derivatives	2,891	3,738	-	-
Exchange adjustment	469	23	420	-
Interest on financial leasing contracts	1,156	1,201	-	-
Total financial expenses	**9,220**	**10,788**	**477**	**73**
included in discontinued operations	**11**	**98**	**-**	**-**

9. SPECIAL ITEMS AND OTHER OPERATING INCOME/EXPENSES

Accounting policy

Special items constitute one-off items of income and expenses, other operation income and expenses which cannot be attributed directly to the ordinary operating activities of the Group but arise from fundamental changes in the structure, the perimeter or the processes of the Group and any associated gains or losses. Management carefully considers such changes in order to ensure that accurate distinction is made between the operating activities and the restructuring activities of the Group which are carried out to enhance the future profitability of the Group.

Special items	GROUP		PARENT COMPANY	
EUR'000	**2016**	**2015**	**2016**	**2015**
Restructuring	-	-	-	-
Other non-recurring costs	-391	-749	-391	-749
Total special items	**-391**	**-749**	**-391**	**-749**
included in discontinued operations	**-**	**-**	**-**	**-**

Other operating income/expenses	GROUP		PARENT COMPANY	
EUR'000	**2016**	**2015**	**2016**	**2015**
Other operating income	2,560	1,097	294	-
Other operating expenses	-2,236	-219	-226	-
Total Other operating income/expenses	**324**	**878**	**68**	**-**

For 2016, Other Operating Income amounted to EUR 2.6M (EUR 1.1M in 2015) and are mainly related to the extraordinary gain of EUR 2.0M for the sale of the Polish projects.

Other Operating Expensens amounted to EUR 2.2M and are mainly related to the extraordinary loss of EUR -1.8M for the sale of Fotocampillos PV plant.

10. TAX ON PROFIT/LOSS FOR THE YEAR

Accounting policy

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognized in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity. Current tax liabilities and current tax receivables are recognised in the Balance Sheet as estimated tax on the taxable income for the year, adjusted for tax on taxable income for prior years and for tax paid under the on-account tax scheme.

The Parent Company is taxed jointly with all its Danish subsidiaries. The current Danish income tax is allocated among the subsidiaries of the tax pool in proportion to their taxable income. Subsidiaries utilizing tax losses from other subsidiaries pay joint taxation contributions to the Parent company equal to the tax value of the utilized losses, while subsidiaries whose tax losses are utilized by other subsidiaries receive joint taxation contributions from the Parent Company equal to the tax value of the utilized losses (full allocation). The jointly taxed subsidiaries pay tax under the Danish on-account tax scheme.

A tax consolidation exists also in Italy and Spain, respectively at GWM Renewable Energy S.p.A. and GWM RE Spain S.L. sub-group level.

EUR'000	2016	2015	2016	2015
Tax on profit/loss for the year	-1,859	-3,087	-128	-175
Total taxes for the year	**-1,859**	**-3,087**	**-128**	**-175**
Tax on profit/loss for the year is calculated as follows:				
Current tax	-2,683	-2,494	-127	-5
Adjustment of deferred tax assets from prior years	32	-1,035	-	-
Deferred tax adjustment	792	1,441	-1	-170
Adjustment for the changes in tax rate	-	-999	-	
Tax effect of:	**-1,859**	**-3,087**	**-128**	**-175**
Tax on profit/loss for the year is specified as follows:				
Calculated figurative tax of profit/loss for the year (**)	-2,917	-1,734	-1,027	-4,303
Adjustment of calculated tax in foreign group enterprises as compared to figurative tax rate	-716	-362	-	-
Income from investments in associates	935	-299		
Other non-deductible expenses/taxable income	807	1,341	899	4,128
Adjustment of deferred tax assets from prior years	32	-1,035	-	-
Deferred tax adjustment	-	-	-	-
Adjustment for the changes in tax rate	-	-999	-	-
TOTAL TAX EFFECT	**-1,859**	**-3,087**	**-128**	**-175**
included in discontinued operation	**536**	**717**	**-**	**-**

** The tax rates applied are 22% for 2016 and 23,5% for comparative 2015.

11. EARNINGS PER SHARE

Accounting policy

Earnings Per Share (EPS) are calculated in accordance with IAS 33 as follows:

Earnings per outstanding share (EPS)

Profit attributed to equity holders* of Greentech Energy Systems A/S

Average number of outstanding shares

* From continuing and after discontinued operations

	GROUP	
EUR'000	2016	2015
Profit/loss for the year	5,535	1,344
Average number of shares	101,367,381	101,367,381
Earnings per share (EPS), EUR from continuing operations	0.11	0.04
Earnings per share (EPS) EUR after discontinued operations	0.05	0.01

No difference between diluted and not diluted average number of outstanding shares.

12. INVESTMENTS IN SUBSIDIARIES

Accounting policy

Parent company

Investments in subsidiaries, associates and joint ventures are measured at cost in the parent company. Impairment testing is carried out if there is an indication of impairment. The carrying amount is written down to recoverable amount whenever the carrying amount exceeds the recoverable amount. The impairment loss is recognized as a finance cost in profit and loss. If the parent company has legal or constructive obligation to cover a deficit in subsidiaries, associates and joint ventures, a provision for this is recognized.

Assets - at 31 December	PARENT COMPANY	
EUR'000	2016	2015
Cost at 1th January	284,528	280,052
Exchange adjustment	-	-
Additions	10,880	4,476
Disposal	-10,798	-
Cost at 31 December	284,609	284,528
Impairment loss at 1 January	140,294	151,007
Exchange adjustment	-	1
Additions	-	-
Disposal	-5,622	-
Impairment loss for the year	-	551
Impairment, reversal of prior year	-	-11,265
Impairment loss at 31 December	134,672	140,294
Carrying amount at 31 December	149,937	144,234

Additions relate to debt conversion and capital increase and the acquisitions of the period. In particular, in 2016, Greentech bought:

- the remaining stake (50%) of La Castilleja solar plant from its co-shareholder Foresight Group. Now Greentech owns 100% of the Spanish solar plant (9.80MW). The total price of the transaction was of EUR 3,700K.

Disposals relate to the investment sold by Greentech in 2016:

- three of its Polish wind projects: Parnowo, Ustka and Smolęcin (108MW) to a subsidiary of EDF EN POLSKA SP. Z.O.O owned by EDF Energies Nouvelles. The sale included the transfer of the Project Companies with the intention of further development and future construction of the projects. The total value of the transaction for the three wind projects was EUR 5.4M.

- its Spanish Fotocampillos solar plant (2.10 MW) to Vela Energy S.L. The total transaction price for the solar plant amounts to EUR 3.3M.

In addition, disposals include also the liquidation of the subsidiaries South Wind 1 and South Wind 2.

The mentioned additions and disposals had no significant impact on the Profit and Loss at Parent level.

In the parent company impairment tests have been made in order to assess the value of the investment in subsidiaries.

For 2016, The Management has evaluated that there are no indicators of impairment according to the estimates and analysis performed (refer to Note 14 for assumptions applied).
In 2015 reversal of write-down EUR 10.7M was made on wind and solar investments.

If the assumptions applied in the impairment were to change negatively regarding production, prices or WACC there could be a need for an impairment write-down of the investment in the subsidiaries or the loans.

13. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Accounting policy

Group

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture. The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss in operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss. Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

INVESTMENT IN ASSOCIATES AND JOINT VENTURES				
Assets - at 31 December	Group		Parent company	
EUR'000	2016	2015	2016	2015
Cost at 1th January	**37,742**	**41,437**	**44,854**	**44,854**
Exchange adjustment	9	63	-	-
Disposal	-4,092	-3,758	-7,550	-
Cost at 31 December	**33,659**	**37,742**	**37,304**	**44,854**
Adjustments at 1 January	**-11,525**	**-10,214**	**-12,388**	**-15,959**
Exchange adjustment	-	-	-	-
Disposal	886	-765	413	-
Profit/loss for the year	1,598	-851	-	-
Other comprehensive income	341	305	-	-
Impairment for the year	-	-	-	-
Impairment, reversal of prior year	-	-	-	3.571
Impairment loss at 31 December	**-8,700**	**-11,525**	**-11,975**	**-12,388**
Carrying amount at 31 December	**24,959**	**26,217**	**25,329**	**32,466**

	GREENTECH MONTE GRIGHINE Srl		LA CASTILLEJA ENERGIA S,L, (GLOBAL LITATOR S.L)		PARCO EOLICO PUGLIESE Srl	
1 Januart - 31 December	Joint Venture		Joint Venture		Associates	
EUR'000	2016	2015	2016	2015	2016	2015
Registered office	Italy	Italy	Spain	Spain	Italy	Italy
Ownership	50.00%	50.00%	50.03%*	50.03%	0%	50.00%
Revenue	18,632	15,843	6,391	6,606	-	1,239
Production costs	-9,408	-10,854	-4,505	-4,561	-	-842
Administrative expenses	-427	-751	-48	7	-5	-8
Financial income	1	1	1	3	-	-
Financial expenses	-4,320	-4,770	-2,562	-2,696	-	-59
Profit/loss before tax	4,477	-531	-723	-640	-5	468
Tax on profit/loss for the year	-521	-608	-61	-262	-	-106
Profit/loss for the year	3,956	-1,140	-756	-924	-5	363
Other Comprehensive income	683	389	-	215	-	6
Total comprehensive profit/loss for the year	4,639	-751	-756	-709	-5	369
Greentech's share of Comprehensive income for the year	**2,320**	**-376**	**-378**	**-355**	**-3**	**184**

* As of 31/12/2016, the ownership is 100%.

>>>	GREENTECH MONTE GRIGHINE Srl		LA CASTILLEJA ENERGIA S,L,U, (GLOBAL LITATOR S.L)		PARCO EOLICO PUGLIESE Srl	
1 Januart - 31 December	Joint Venture		Joint Venture		Associates	
EUR'000	2016	2015	2016	2015	2016	2015
Dividend received	-	-	-	-	-	-
Non-current assets	**115,487**	**121,995**	**-**	**53,731**	**-**	**658**
- including:						
Deferred tax	1,530	2,066	-	3,160	-	18
Current assets	**13,683**	**15,323**	**-**	**6,295**	**-**	**56**
- including:						
Cash at bank and in hand	5,789	6,840	-	2,604	-	-
Non-current liabilities	**69,951**	**82,899**	**-**	**45,941**	**-**	**-**
- including:						
Deferred tax liabilities	1,545	1,433	-	817	-	-
Credit institutions	54,061	63,217	-	38,238	-	-
Current liabilities	**9,301**	**9,138**	**-**	**6,854**	**-**	**796**
- including:						
Credit institutions	5,782	5,815	-	2,927	-	425
Income tax	335	191	-	2,045	-	-
Equity	49,918	45,281	-	7,231	-	-82
Equity (Greentech's share)	**24,959**	**22,641**	**-**	**3,618**	**-**	**-41**

The data provided have been adjusted to the level at which they are recognised in the Consolidated Financial Statements. Not all data are publicly available, as not all companies have a duty of disclosure. Disposal relate to the investment liquidated by Greentech in 2016. In particular Greentech liquidated its 50% stake of Parco Eolico Pugliese Srl.

The investment in Joint Venture of La Castilleja Energia SL (Global Litator S.L.) has been reclassified to investments in subsidiaries related to the acquisition of the remaining 50% of La Castilleja solar plant mentioned in Note 13.

The closing of the initial 50% investment in Joint Venture of La Castilleja has generated a gain of EUR 1.8M. This gain was calculated on the initial carrying amount of the mentioned investment in Joint Venture and on the fair value of the PV plant calculated by an external valuation. The 50% of the fair value has been discounted considering the control premium applied (10%) on the remaining 50% acquired at the end of 2016. The value of the 50% investment in La Castilleja, including the mentioned gain, transferred to investments in subsidiaries amounted to EUR 5.4M.

As at 31 December 2016, Management performed an impairment test of the carrying amount of investments in associates and joint ventures. The Management has evaluated that there are no indicators of impairment (reversal of write-down of EUR 3.6M in 2015).

14. INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost encompasses the acquisition price and costs directly associated with the purchase until the time when the asset is ready to be brought into use. For assets produced in-house, cost comprises direct costs of materials, components, third-party suppliers, labour and borrowing costs. Cost is increased by the present value of estimated liabilities for the removal and disposal of the asset and restoration of the site on which the asset was used. The cost of a total asset is broken down into components that are depreciated separately if the useful lives of each components varies significantly.

Subsequent expenses (e.g. for replacing components of an asset) are recognised in the carrying amount of the related asset when it is probable that the expense will lead to future economic benefits for the Group. The replaced components are no longer recognised in the Balance Sheet and the carrying amount is transferred to the Income Statement. All other ordinary repair and maintenance costs are recognised in the Income Statement when incurred.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of the assets/components as follows:

CATEGORY	USEFUL LIFE
Land and buildings	20 years
Wind farms	25 years
Solar plants	20 years
Equipments	3–13 years

The basis of depreciation is calculated with due consideration to the asset scrap value, reduced by any impairment losses. The scrap value is determined at the date of acquisition and revalued each year. When the residual value exceeds the carrying amount of the asset, the asset ceases to be depreciated.

If the depreciation period or the residual values are changed, the effect on depreciation going forward is recognised as a change in accounting estimates (as described in note 2).
Depreciation is recognised in the Income Statement in production costs and administrative expenses, respectively, to the extent that deprecation is not included in the cost of assets of own construction.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Intangible assets

Goodwill

At initial recognition goodwill is recognised in the balance sheet at cost. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

An impairment test is performed at least once a year. The book value of goodwill is allocated to the Group's cash generating units at the time of acquisition. Allocation of goodwill to segments is disclosed below.

Other intangible assets

An intangible asset is recognized if it is probable that the expected future economic benefits attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are measured at cost, including all direct attributable costs relating to their acquisition or their utilization. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Each intangible asset has either definite or indefinite useful life. Intangible assets with definite useful lives are depreciated on a systematic basis reflecting the pattern of use over their estimated useful life; if the pattern of use cannot be determined reliably, a straight-line basis is used. The depreciation period and method is reviewed at least once a year, at closing date. Changes in the expected useful life or in the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the depreciation period or method, as appropriate, and are treated as changes in accounting estimates.

The carrying value of assets with definite useful lives is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Impairment losses are reversed in case of changes in circumstances that determined the initial impairment. The Group does not have any intangible assets with indefinite useful lives.

A summary of the policies applied to the main intangible assets is as follows:

Concessions & Rights

Useful life of 20 - 25 years;
Depreciated on a straight-line basis for the shortest of:

- Legal period of contract;
- Expected period of utilization.

INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT						
GROUP - at 31 December 2016						
EUR'000	**Goodwill**	**Other intangible assets***	**Land and buildings**	**Plant**	**Equipment**	**Plant under costruction**
Cost at 1 January 2016	**6,521**	**49,184**	**1,756**	**307,274**	**913**	**271**
Exchange adjustment	-	-	-	-25	-4	7
Additions	-	6	1,263	5	38	-
Reclassification	-	-	-	-	-	-
Disposals	-	-7,786	-	-15,473	-92	-9
Business Combination	-	3,928	-	46,341	-	-
Cost at 31 December 2016	**6,521**	**45,332**	**3,019**	**338,122**	**855**	**269**
Depreciation/impairment at 1 January 2016	3,904	18,979	-	68,046	430	64
Exchange adjustment	-	1	-	-4	-	2
Disposals	-	-7,476	-	-6,255	-83	-3
Depreciation	-	1,807	-	14,097	250	-
Depreciation/impairment at 1 January 2016	3,904	13,311	-	75,884	597	63
Carrying amount at 31 December 2016	**2,617**	**32,021**	**3,019**	**262,238**	**258**	**206**
Hereof financial leased plants and machinery	**-**	**-**	**-**	**25,194**	**-**	**-**
The carrying amount can be specified as follows:						
Wind	2,617	20,116	1,756	139,564	19	-
Solar	-	11,905	-	122,674	93	-
Other	-	-	1,263	-	146	206
	2,617	**32,021**	**3,019**	**262,238**	**258**	**206**
Transfer to held for sale and discontinued operation	**-**	**-**	**-**	**-**	**-**	**-**
Depreciated over	N/A	20-25 years	20 years	20-25 years	3 - 13 years	N/A

* Other intangible assets include: Licences, Rights, Authorizations and other minor intangibles.

INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT						
GROUP - at 31 December 2015						
EUR'000	**Goodwill**	**Other intangible assets***	**Land and buildings**	**Plant**	**Equipment**	**Plant under costruction**
Cost at 1 January 2015	**8,315**	**57,712**	**3,866**	**307,050**	**2,758**	**1,168**
Exchange adjustment	-	-1	-	4	-1	88
Additions	-	63	-	388	117	502
Reclassification	-	-	-986	-	986	-
Disposals	-	-	-	-168	-41	-
Transfer to held for sale and discontinued operations	-1,794	-8,590	-1,124	-	-2,906	-1,487
Cost at 31 December 2015	**6,521**	**49,184**	**1,756**	**307,274**	**913**	**271**
Depreciation/impairment at 1 January 2015	5,615	24,454	374	58,084	1,588	551
Exchange adjustment	-	1	-	-1	-	-1
Reclassification	83	-493	-	-	-276	-188
Disposals	-	-	-	-19	-7	-
Impairment for the year	-	2,703	-	-	-	280
Impairment reversal from prior year	-	-3,455	-	-4,242	-	-
Depreciation	-	1,665	-	14,224	278	-
Transfer to held for sale and discontinued operations	-1,794	-5,896	-374	-	-1,153	-578
Depreciation/impairment at 31 December 2015	3,904	18,979	-	68,046	430	64
Carrying amount at 31 December 2015	**2,617**	**30,205**	**1,756**	**239,228**	**483**	**207**
Hereof financial leased plants and machinery	**-**	**-**	**-**	**27,200**	**-**	**-**
The carrying amount can be specified as follows:						
Wind	2,617	21,097	1,756	147,465	26	-
Solar	-	9,108	-	91,763	99	-
Environment	-	-	-	-	-	-
Other	-	-	-	-	358	207
	2,617	**30,205**	**1,756**	**239,228**	**483**	**207**
Transfer to held for sale and discontinued operations	**-**	**2,694**	**750**	**-**	**1,753**	**909**
Depreciated over	N/A	20-25 years	20 years	20-25 years	3-13 years	N/A

INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT		
PARENT - at 31 December 2016		
EUR'000	Plant and machinery	Equipment
Cost at 1 January 2016	**17,530**	**1,044**
Exchange adjustment	15	-
Additions	-	-
Correction	-	-
Disposals	-	-
Cost at 31 December 2016	**17,545**	**1,044**
Depreciation/impairment at 1 January 2016	13,355	874
Impairment reversal from prior year	-	-
Depreciation	401	163
Depreciation/impairment at 31 December 2016	13,756	1,037
Carrying amount at 31 December 2016	**3,789**	**7**
The carrying amount can be specified as follows:		
Wind	3,789	-
Other	-	7
	3,789	**7**
Depreciated over	25 years	3-13 years

INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT		
PARENT - at 31 December 2015		
EUR'000	Plant and machinery	Equipment
Cost at 1 January 2015	**17,540**	**1,044**
Exchange adjustment	-10	-
Additions	-	-
Correction	-	-
Disposals	-	-
Cost at 31 December 2015	**17,530**	**1,044**
Depreciation/impairment at 1 January 2015	12,954	697
Exchange adjustment	1	1
Disposals	-	-
Impairment for the year	-	-
Impairment reversal from prior year	-	-
Depreciation	400	176
Depreciation/impairment at31 December 2015	13,355	874
Carrying amount at 31 December 2015	**4,175**	**170**
The carrying amount can be specified as follows:		
Wind	4,175	-
Other	-	170
	4,175	**170**
Depreciated over	25 years	3-13 years

Accounting policy

Impairment of non-financial assets and sensitivity analysis

An impairment exists when the carrying value of an asset or Cash Generating Unit (CGU) exceed its recoverable amount, which is the highest of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from sales transactions at arm's length of similar assets or observable market prices less incremental costs for the disposal of assets. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flow deriving from the long-term industrial plan for the next years does not include restructuring activities that the Group is not yet committed to or significant future investment/ capital expenditures that would enhance the asset's performance of the CGU being tested. The Breakdown into cash generating units takes its starting point in the internal structure of the two segments, Wind and Solar. Based on this each wind and solar plant is defined as one CGU meaning total of 13 CGU's. Noncurrent tangible and intangible assets are attributed to the cash-generating units, unless this cannot be done with a reasonable degree of certainty.

Other assets including holding costs which cannot with reasonable certainty be attributed to one or more of the cash-generating units are tested for impairment as a non-allocated Group asset.

Impairment test and sensitivity analysis
In connection with the Annual Report 2016, based on the DCF model, the Management has performed an impairment test of the carrying amount of intangible assets including goodwill, property, plant and equipment and investment in associates and in joint venture, at consolidated level. At Parent Company level, the Management has performed an impairment test of the carrying amount of investment in subsidiaries, investment in associates and in joint venture and other noncurrent financial assets.

The discount rate utilized for the DCF model is the Weighted Average Cost of Capital (WACC) after tax. When differentiating the elements that compose the WACC, country-specific risk (stability in tariffs, interest rate levels, 180-days average risk-free interest rate in order to reduce the volatility, etc.) are taken into consideration. Considering the range of WACC applied by the competitors, a specific risk premium for Spain (Wind and Solar sector) has been included.

In 2016, the WACC for Greentech ranges from 4.3% to 6.0% for wind and solar projects. The table aside shows the WACC post-tax applied in 2015 and 2016.

WACC POST TAX

	2016	2015	delta
Solar Italy	4.7%	6.0%	-1.3%
Solar Spain	5.5%	6.1%	-0.6%
Wind Spain	4.6%	5.2%	-0.6%
Wind Denmark	4.7%	5.0%	-0.3%
Wind Germany	4.3%	4.7%	-0.4%
Wind Italy	5.1%	6.3%	-1.2%
Wind Poland	6.0%	6.1%	-0.1%

Considering the current macroeconomic scenario, the specific evolution of Greentech's portfolio of projects in wind and solar after restructuring plan and a substantial stability of the regulatory framework, the Management has considered that a specific risk premium in Italy for 2016 is not applicable.
On the other hand, as the Spanish Law 24/2013 still grants to the Spanish authority to change the support scheme applicable, the Management decided to maintain the mentioned specific risk premium for Spain at 1,5 with an increase of the market risk premium from 5 to 5.5.
Overall, excluding the additional risk premium applied for Spain, the WACC has decreased following to the improvement of the general economic environment.

The recoverable amount for Wind and Solar assets is based on the over 20/25-year long-term industrial plan approved by the Management, without any terminal value.
Here below, we describe the main assumptions underlying the long-term industrial plan for Wind and Solar assets.

Revenues
The revenues for the Wind segment are based on estimate of production of all wind farms (P75 scenario) prepared by technical consultants for Italian and Spanish plants, and on the average of historical production for Danish, German and Polish plants. The revenues for the solar segment are based on estimate of irradiance as per historical data and on the minimum guaranteed Performance Ratio as per O&M contract.

Concerning the tariffs to be applied to the production estimate, for Green Certificates and Feed-in Tariffs, we consider each national legislation and the prices officially recognized by the government for each single plant. Concerning the price of electricity, the Management utilizes estimates based on independent studies (i.e. Pöyry).

Operating expenses
The operating expenses are based on existing contracts with suppliers: service and maintenance of the plants, land lease agreements, royalty agreements with the municipalities, property taxes, insurance, repairs etc. The estimates of operating expenses are consistent with the local regulations .

On the Italian wind farms, at the end of the financing period, the Management considers that Greentech will be free to significantly reduce the perimeter of O&M activities and to make a saving of 30%, based on current price lists obtained by the suppliers. The Management has also considered some savings over the long term related to general costs such as legal fees, other consultants fees, etc. and a general increase in maintenance cost from 20 to 25 years.

Result of the impairment test 2016
For 2016, the Management has evaluated that there are no indicators of impairment or reversal of impairment based on the impairment test performed considering the general evolution of the renewable energy sector, the specific evolution of Greentech's current portfolio of projects in wind and solar technologies and the substantial stability of the regulatory framework, after the changes occurred last years.

Relating to the Environment Division, according to IFRS 5 a write-down equal to the asset to expected realizable value has been made: the result was a net impairment of EUR -4.1M.

Result of the impairment test 2015
For 2015, the outcome of the impairment test was a reversal of write-down of EUR 4.7M.
In particular, of write-down of EUR 2.2M for Italian solar plants, EUR 1.8M for Spainsh dollar plants and EUR 3.7M for Italian wind farms.
Relating to Assets held for sale, the Management performed a valuation of the carrying amount and according to IFRS 5 the book value has been aligned to the potential realizable value: the result was a net impairment of EUR -3.0M.

Sensitivity analysis
The Management performed a sensitivity analysis on the result of the impairment test made at Group level, based on the main assumptions taken one by one, an increase of 1 % in WACC, a decrease of 5% in revenue and an increase of 10 % in operating expenses. The following table presents the result of this analysis.

Impairment test		Sensitivity		
		Stress Test_Reversal (impairment write-downs) considering the worse of discount factor or principal assumptions		
		Increase + 1% WACC	Decrease -10% Revenues	Increase +10% Operating expenses
by Technology	Wind	-393	-3,989	-
	Solar	-	-	-
by Geography	Italy	-393	-3,989	-
	Denmark	-	-	-
	Spanish	-	-	-
	Poland	-	-	-
	Germany	-	-	-
	Total	**-393**	**-3,989**	**-**

The figures above show that an increase or decrease of factors and assumptions applied, other things being equal, would lead to an impairment of the group of assets of: (i) an amount of EUR -393K for a 1% increase in WACC; (ii) an amount of EUR -3,989K for a 10% decrease in revenue. In both cases the impairment should be referred to Energia Verde wind farm. An increase of 10% in operating expenses does not effect the current book value of the assets.

15. OTHER NON-CURRENT FINANCIAL ASSETS

	GROUP		PARENT COMPANY	
EUR'000	**2016**	**2015**	**2016**	**2015**
Loans to subsidiaries	-	-	18,786	16,948
Loans to associates and joint ventures	4,468	7,971	4,468	8,023
Deposits	909	923	5	5
Deposits on accounts held as collateral	14,701	13,545	388	458
Other equity investments	29	29	29	29
Other receivables	5,400	8,505	5,400	-
Total other non-current financial assets	**25,507**	**30,973**	**29,076**	**25,463**
Trasfer to held for sale and discontinued operations	**-**	**242**	**-**	**-**

Other non-current financial assets are mainly represented by the Deposits on accounts held as collateral (DSRA) which guarantee the yearly installment to credit institutions and by the recivables from Assiaciates including primarily Greentech Monte Grighine Srl. As a result, the credit risk is very limited. Greentech has no major individual receivables, and in terms of regions they are concentrated in Germany, Italy, Spain, Poland and Denmark. See Note 4 on the distribution of assets by geography.

For receivables which all mature within one year after the end of the financial year, the nominal value is considered to correspond to the fair value. In 2016, the Group did not make any write-down on receivables (2015: EUR 0K).
Reference is also made to Note 30.

Other receivables relate to the non-current financial credit to EDF after the sale of the Polish projects. The payment from EDF of EUR 5.4M will be received then the terms in the sales agreement are fulfilled, which is expected in 2018.
The credit will be paid or converted into a minority stake in the projects when they will become operational.

16. INVENTORIES

Accounting policy

Inventories, with the exception of contract work-in-progress, are stated at the lowest of cost or net sales price. The cost of inventories is determined by applying the weighted-average-cost method.

Work-in-progress relating to service contracts is stated on the basis of agreed contract revenue determined with reasonable certainty, recognised in proportion to the stage of completion.

The value of the inventories as of 31 December 2016, amounts to EUR 236K, which relates to a minimum storage of spare parts for our solar assets.

17. TRADE RECEIVABLES

Accounting policy

Trade receivables

Trade receivables are recognized at armonized cost, being the invoice value less any allowance for doubtful accounts or sales returns. All trade receivables denominated in a foreign currency are translated into Euro using the exchange rates in effect at the transaction date and, subsequently, converted to the year-end exchange rate. The exchange rate variance is accounted for in the Income Statement. Trade receivables and other current assets for which the average collection period exceed twelve months in the normal course of business are accounted for at present value.

FiT (former Green Certificates)

Starting from January 2016, for plants entered into operation before 31st December 2012 a feed-in-tariff (FiT) system replaced Green Certificates (GC). The FiT is calculated with the same formula of the previous GC, but it is based on the average electricity price of the previous year, instead of the one of the current year. Since the FiT price is already fixed for the current year, the FiT are measured to the mentioned recognised price.

	GROUP		PARENT COMPANY	
EUR'000	**2016**	**2015**	**2016**	**2015**
Trade receivables	9,739	7,029	107	106
Green certificates and other incentives	5,663	7,618	-	-
Total trade receivables	**15,402**	**14,647**	**107**	**106**
Trasfer to held for sale and discontinued operations	**-**	**1,699**	**-**	**-**

The Company is granted Green Certificates and other incentives relating to its power production in Italy, Poland and Spain.

Italy has implemented a tariff system which guarantees a fixed price for granted certificates FiT. Income from the FiT has been assigned as security for debt, see Note 27.

Certificates granted in Poland are settled at a two-month delay at a guaranteed price.

Incentives granted in Spain are settled at a one-month delay at a guaranteed price. Income from incentives has been assigned as security for debt, see Note 27.

18. OTHER CURRENT FINANCIAL ASSETS

	GROUP		PARENT COMPANY	
EUR'000	**2016**	**2015**	**2016**	**2015**
Loans to associates	98	786	-	-
Other financial receivables	1,272	2,591	-	-
Total other current financial assets	**1,370**	**3,377**	**-**	**-**
Included in assets held for sale and discontinued operations	**334**	**384**	**-**	**-**

19. OTHER CURRENT ASSETS

	GROUP		PARENT COMPANY	
EUR'000	**2016**	**2015**	**2016**	**2015**
Prepayments on projects	74	79	-	-
Other prepayments	2,108	1,869	-	-
Other receivables	3,676	4,495	63	42
Total other current assets	**5,858**	**6,443**	**63**	**42**
Transfer to assets held for sale and discontinued operations	**-**	**773**	**-**	**-**

20. EQUITY

Accounting policy

Treasury shares

Treasury shares acquired by the Parent company or subsidiaries are recognized at cost directly in equity under retained earnings. If treasury shares are subsequently sold, any consideration is recognized directly in equity.

	NUMBER OF SHARES		NOMINAL VALUE	
EUR'000	**2016**	**2015**	**2016**	**2015**
Share capital at 1 January 2016	106,662,695	106,662,695	71,623	71,623
Share capital at 31 December 2016	**106,662,695**	**106,662,695**	**71,623**	**71,623**
Treasury shares	5,295,314	5,295,314		
Shares outstanding 31 December 2016	**5,295,314**	**5,295,314**		

The share capital consists of 106,662,695 shares of DKK 5 / EUR 0.67 nominal value each. No shares carry any special rights. The share capital is fully paid up. The portfolio of treasury shares subsequently amounts to 5,295,314 shares, corresponding to 4.96% of the share capital (2015: 5,295,314 shares). The shares were acquired for a total of EUR 14,919K and represented a market value of EUR EUR 4,737K K at 31 December 2016. The Company's portfolio of treasury shares is held for the purpose of potential acquisition of assets or companies.

21. DISTRIBUTIONS MADE AND PROPOSED

EUR'000	**2016**	**2015**
Cash dividends on ordinary shares declared and paid	**-**	**-**
Proposed dividends on ordinary shares		
Cash dividend for 2016: 0.022 EUR/share 0.162 DKK/share)	2,214	-

Proposed dividends on ordinary shares are subject to approval at the Annual General Meeting.

22. DEFERRED TAX

Accounting policy

Deferred tax is calculated in accordance with the Balance Sheet liability method in respect of all temporary differences between the carrying amount and tax value of assets and liabilities. However, no deferred tax is recognised in respect of temporary differences regarding non-deductible goodwill and other items for which temporary differences - with the exception of acquisitions- have arisen at the acquisition date without affecting the financial results or taxable income. If the computation of the tax value were made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively, as determined by Management.

Deferred tax assets, including the tax value of tax losses carried forward, are recognised under other long-term assets at the value at which they are expected to be used, either by setting off tax on future earnings or by setting off deferred tax liabilities within the same legal tax entity and jurisdiction.

Adjustments are made for deferred tax regarding elimination of unrealised intra-group gains and losses.

Deferred tax is measured based on the tax rules and rates that will apply in the respective countries under the legislation in force at the Balance Sheet date when the deferred tax asset is expected to crystallise as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the Income Statement.

Material accounting estimates and uncertainties

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax law, and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. Deferred tax assets are reviewed annually by the Management and recognized only to the extent considered as sustainable in the future considering the timing and the level of future taxable profits together with future tax planning strategies of the Group.

The review done in 2016 led to a write-down in deferred tax assets of EUR 448K related to non-deductible interest expenses in Italy.

Deferred Tax Assets - at 31 December	GROUP		PARENT COMPANY	
EUR'000	**2016**	**2015**	**2016**	**2015**
Deferred Tax at 1 January	**14,001**	**15,611**	**-320**	**-150**
Exchange adjustment	-	-23	-	-
Adjustment of deferred tax related to hedging instruments	-139	-1,711	-	-
Adjustment of deferred tax concerning prior years	32	-1,035	-	-
Adjustment for the changes in tax rate	-	-999	-	-
Adjustment for the year	792	1,441	-1	-170
Business Combiantion	-191	-	-	-
Disposal	-933	-	-	-
Trasfer to held for sale and discontinued operation	-	717	-	-
Deferred Tax at 31 January	**13,562**	**14,001**	**-321**	**-320**
Deferred tax is recognised in the balance sheet as follows:				
Deferred tax asset	20,809	18,646	-	-
Provision for deferred tax	-7,247	-4,645	-321	-320
	13,562	**14,001**	**-321**	**-320**
Deferred tax relates to:				
Equipment, plant and machinery	5,335	5,450	-378	-377
Tax loss carry-forwards	1,019	930	-	-
Other non-current assets	1,093	2,077	-	-
Other current assets	51	28	-	-
Other non-current liabilities	724	587	62	62
Other current liabilities	-	-	-5	-5
Fair Value of derivatives	5,340	4,929	-	-
	13,562	**14,001**	**-321**	**-320**

Tax losses carried forward for EUR 1,019K (2015: EUR 930K) can be utilsed indefinitely and are expected to be utilised against future taxable income within the next 5 years (approximately EUR 828K within 12 months).

The remaining balance will be utilised during the lifetime of the projects (20-25 years) in accordance with each budget and local tax rules.

Deferred tax assets not recognised in the Balance Sheet	GROUP		PARENT COMPANY	
EUR'000	2016	2015	2016	2015
Temporary differences	-	-	-	-
Tax losses	-	-	-	-
Non-deductible interest expenses carry forwarded	9,359	7,479	-	-

The deferred tax asset not recognised at the end of 2016 EUR 9,359K (2015: EUR 7,479K) concerns postponements of the ability to have tax deductions of some of the interest paid in several legal entities in Italy. As tax rules of Italy put some restrictions on the timing of the taxable deduction of interest paid, it is uncertain whether and when the tax loss can be utilised.

Consequently, the Management has not recognised this deferred tax asset.
The deferred tax asset does not include deferred tax concerning the Company's German wind turbines, which are owned in a German company with a separate tax liability. As there is significant uncertainty attached to the measurement of the deferred tax asset, it has not been accounted at the end of 2016.

23. OTHER PROVISIONS

Accounting policy

Provisions for risks and charges
Provisions are recognized when the Group has a present obligation (legal or constructive), as a result of a past event, which is likely to generate an outflow of resources required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is reasonably certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement.

In the measurement of provisions, the costs necessary to settle the liability are discounted. A pre-tax discounting factor is used that reflects the general level of interest adjusted for the specific risks that are believed to apply to the provision. The changes in present values for the financial year are recognized in financial expenses. Provisions are estimated by the Management considering the expected amount of the settlement of the liability. Restructuring costs are recognized as liabilities when a detailed, formalized restructuring plan has been communicated within the Balance Sheet date to the parties involved. Upon business acquisitions, restructuring provisions relating to the acquired enterprise are included in the calculation of goodwill only if the acquired enterprise has a liability at the date of acquisition.

Provisions are recognized in respect of loss-making contracts when the unavoidable costs from the contract exceed the expected benefits.

Provision for restoration of sites
If the Group has an obligation to dismantle or dispose an asset or to restore the location where the asset is operated, a liability corresponding to the net present value of the expected future expenses is recognized. Provision relates to the restoration of sites used in the installation and operation of wind farms and solar plants. The restoration obligation is calculated as the present value of the estimated net costs of restoration when the wind farms and solar plants are de-commissioned. This will occur no earlier than the end of the expected useful life.

	GROUP		PARENT COMPANY	
EUR'000	2016	2015	2016	2015
Provision for restoration of sites	4,019	3,809	291	283
Provision for other risks and charges	3,621	869	-	-
Other payables, subsidiaries	-	-	-	-
Total other provision	**7,640**	**4,678**	**291**	**283**
Transfer to held for sale and discontinued operations	**-**	**-**	**-**	**-**

Provision for restoration of sites are expected to be utilized within 25 years for wind turbines and 20 years for photovoltaic plants starting from when the plant was commissioned.

Provision for risks and charges are expected to be utilized for EUR 2.8M within 11 years and the rest within 5 years.

24. PAYABLES TO CREDIT INSTITUTIONS

Accounting policy

Initial recognition and measurement
Financial liabilities within the scope of IAS 39 can be classified, as appropriate; financial liabilities at fair value through the Income Statement, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdraft, loans and borrowings, financial guarantee contracts and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification as follows:
- Credit institutions

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the Income Statement when the liabilities are derecognized as well as through the effective interest rate method (EIR) amortization process.

A financial liability is derecognized when the obligation under the liability is discharges cancelled or expired.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the Income Statement.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Income Statement.

Loan		GROUP	CARRYNG AMOUNT	
EUR'000	**EXPIRY DATE**	**TYPE**	**2016**	**2015**
EUR	2016	Fixed		1,389
DKK	2016	Floating		201
PLN	2016	Floating		52
EUR	2016	Floating *		24,791
EUR	2017	Floating *	39,613	2,658
EUR	2017	Fixed	1,391	3,456
EUR	2021	Floating *	6,860	11,120
EUR	2022	Floating *	29,354	35,666
EUR	2022	Floating	-	6,699
EUR	2025	Floating *	2,320	2,546
EUR	2027	Floating *	55,139	61,550
EUR	2027	Fixed	5,028	5,385
EUR	2028	Floating *	20,810	-
EUR	2029	Floating	23,585	25,071
Total payables to credit institutions			**184,100**	**180,584**
Transfer to held for sale and discontinued operations			**-**	**526**

* The Group mitigates exposure to interest fluctuation by way of interest swap agreements. Consequently the group pays an interest at a fixed rate and receives an interest at a variable rate. The interest rate hedge agreement instruments are regarded as a separate derivative financial instruments. The fair value of the agreements is disclosed in Note 30.

	GROUP		PARENT COMPANY	
EUR'000	**2016**	**2015**	**2016**	**2015**
Payables to credit institutions are recognised as follows				
Non-current liabilities	129,356	130,881	-	-
Current liabilities	54,744	49,703	-	201
Total payables to credit institutions	**184,100**	**180,584**	**-**	**201**
Transfer to held for sale and discontinued operations	**-**	**526**	**-**	**-**

Loan		PARENT	CARRYNG AMOUNT	
EUR'000	**EXPIRY DATE**	**TYPE**	**2016**	**2015**
EUR	2016	Floating	-	201
Total payables to credit institutions			**-**	**201**

25. OTHER CURRENT LIABILITIES

	GROUP		PARENT COMPANY	
EUR'000	2016	2015	2016	2015
Payables to subsidiaries	-	-	268	428
Payables to associates	-	-	-	-
Other payables	4.168	5.263	201	1.712
Total other current liabilities	**4.168**	**5.263**	**469**	**2.140**
Transfer to held for sale and discontinued operations	**634**	**2**	**-**	**-**

26. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

Accounting policy

Non-current assets and disposal groups classified as held for sale are measured at the lowest of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. Disposal groups are defined as a relatively large component of a business enterprise – such as a business or geographical segment under IFRS 8 – that the enterprise, pursuant to a single plan, either is disposing of substantially in its entirety or is terminating through abandonment or piecemeal sale. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Presentation of discontinued operations

Discontinued operations comprise a separate major line of business whose activities and cash flows can be clearly distinguished, operationally and for financial reporting purposes, from the other business areas and where the unit either has been disposed of or is held for sale and where the sale is expected to be carried out within twelve months in accordance with a formal plan. Discontinued operations also include businesses which are classified as "held for sale" in connection with the acquisition. The profit/loss after tax of discontinued operations and value adjustments after tax of related assets and liabilities and gains and losses on disposal are presented as a separate line item in the income statement, and comparative figures are restated accordingly. Revenue, expenses, value adjustments and tax relating to discontinued operations are disclosed in the notes. Assets and liabilities for discontinued operations are presented in separate lines in the statement of financial position without restatement of comparative figures, see the section "Assets classified as held for sale", and the major classes of assets and liabilities are disclosed in the notes. Cash flows from operating, investing and financing activities of the discontinued operations are disclosed in separate lines in the cash flow statement.

Assets and liabilities classified as discontinued operations

As announced in Company Announcement No. 2/2017, in February 2017, the Environment Division was taken over by a company controlled by Bernardinello Engineering S.p.A., a leading Italian operator in the environment sector.

The assets and liabilities classified as discontinued operations represented the entirety of the GES's environment division and has previously been part of the segment "Environment".

The results of environment division for the year are presented below:

INCOME STATEMENT DISCONTINUED OPERATIONS - AT 31 DECEMBER	DISCONTINUED	
EUR'000	2016	2015
Revenue	1,804	4,073
Production costs	-3,020	-4,799
Gross profit	**-1,216**	**-726**
Administrative expenses	-1,080	-2,222
Other operating income	206	18
Other operating expenses	-110	-647
Income from investments in associates	-	-
Operating profit/loss before impairment	**-2,200**	**-3,577**
Impairment of assets	-4,190	-
Special items	-	-
Operating profit/loss	**-6,390**	**-3,577**
Financial income	1	10
Financial expenses	-11	-98
Profit/loss before tax	**-6,400**	**-3,665**
Tax on profit/loss for the year	536	717
Profit/loss for the year from discontinuing operations	**-5,864**	**-2,948**

Following the sale of the Environment segment, the total net asset has been aligned with the value of the transaction.

BALANCE SHEET DISCONTINUED OPERATIONS - AT 31 DECEMBER	DISCONTINUED	
EUR'000	2016	2015
Intangible assets	-	-
Property, plant and equipment	-	2,481
Other non-current assets	-	253
Total Non-Current Assets	**-**	**2,734**
Inventories	-	964
Trade receivables	1,085	1,699
Income tax receivable	353	379
Other current financial assets	334	383
Other current assets	-	457
Cash at bank and in hand	447	294
Total Current Assets	**2,218**	**4,176**
Total Assets Discontinued	**2,218**	**6,910**
Employee benefits	331	331
Other deferred liabilities	-	-
Non-current liabilities	**331**	**477**
Current portion of long-term bank debt	-	526
Trade payables	1,253	1,247
Other current liabilities	634	-
Current liabilities	**1,887**	**1,773**
Total Liabilities discontinued	**2,218**	**2,250**
Net Assets directly associated with discontinued operations	**0**	**4,660**

The net cash flow incurred by environment division are, as follows:

CASH FLOW STATEMENT DISCONTINUED OPERATIONS - AT 31 DECEMBER	DISCONTINUED	
EUR'000	2016	2015
Profit/loss for the year from discontinuing operations	-5,864	-2,948
Adjustments to cash flow before change in working capital discontinued operations	3,918	-329
Change in working capital discontinued operations	538	122
Cash flow from other operating activities discontinued operations	-	-
Cash flow from investing activities discontinued operations	-109	-453
Cash flow from financing activities discontinued operations	-	338
Cash flow for the year from discontinued operations	**-1,517**	**-3,270**

The earning per share of discontinued operations is disclosed in Note 11.

Assets and liabilities transfer to held for sale

In December 2015, Greentech and EDF Energies Nouvelles (through its subsidiary EDF EN Polska) entered into an agreement for the sale of the Polish wind farm development projects.

The sale was completed in March 2016. As of 31 December 2015, the Polish projects were reported as assets and liabilities held for sale.

BALANCE SHEET ASSETS HELD FOR SALE - AT 31 DECEMBER	HELD FOR SALE	
EUR'000	**2016**	**2015**
Intangible assets	-	2,694
Property, plant and equipment	-	931
Other non-current assets	-	71
Total Non-Current Assets	**-**	**3,696**
Other current financial assets	-	1
Other current assets	-	316
Cash at bank and in hand	-	18
Total Current Assets	-	**335**
Total Assets Discontinued	**-**	**4,031**
Provision for deferred tax	-	788
Non-current liabilities	**-**	**788**
Current portion of long-term bank debt	-	0
Trade payables	-	17
Other current liabilities	-	2
Current liabilities	**-**	**19**
Total Liabilities discontinued	**-**	**807**
Net Assets directly associated with discontinued operations	**-**	**3,224**

27. PLEDGES AND GUARANTEES

Parent company

Since the debt to credit institutions in respect of the Company's Danish wind turbine has been totally reimbursed, there is no securities for debt (2015 EUR 402K). Additionally, there is no assignement of Trade Receivables and security on wind turbines.

Greentech has deposited EUR 172K (2015: EUR: 162K) for the demolition of wind turbines.

The Parent company has issued (i) a guarantee for loan related payments and has placed it as security for debt to credit institutions concerning the Minerva Messina project for EUR 30,146K (2015: EUR 36,728K).
As of 31 December 2016, the Parent company stands as guarantor with primary liability for loan-related payments for debt to credit institutions concerning the Gehlenberg project for EUR 653K (2015: EUR 2,658K).

Group

Wind and Solar projects
As of 31 December 2016, the following has been provided by the individual project companies as security for debt to credit institutions and financial leasing agreements entered into for the renewable energy projects:

- Right of subrogation in land lease agreements;
- Security in the wind turbines/solar panels installations;
- Pledge over the quota/shares in the project companies;
- Assignment of Trade Receivables deriving from the regular sale of electricity, green certificates and other incentives as well as any reimbursement from insurance;
- Right of subrogation in VAT Receivables;
- Right of subrogation in any Receivables related to financial leasing agreements;
- Accounts held as collateral have been established for an aggregated amount of EUR 14,701K (2015: EUR 13,545K);
- Other deposits for EUR 923K.

28. CONTRACTUAL OBLIGATIONS

The Company and its subsidiaries are part of several agreements concerning the operation of the projects in the countries where the Group is operating. Overall, each project has entered into the following categories of agreement:

1. Land Lease Agreements with the private owners of the lands on which the renewable energy projects are located. The lease is either a variable fee depending on the actual production of the year or a fixed annual payment.
The lease runs for 20 to 30 years with an option for renewal. As of 31st December 2016, the total yearly contractual obligation related to land lease agreements amounted to EUR 1,165K (2015: EUR 1,116K). The total remaining contractual obligation amounted to EUR 23,992K (2015: EUR 23,689K).

2. Agreements with the local authorities (municipalities, consortia, etc.), under which the project company pays an annual tax/royalty for a certain period of time. The payment is either a variable fee depending on the actual production of the year or a fixed annual payment. As of 31st December 2016, the total yearly contractual obligation related to land royalty agreements amounted to EUR 865K (2015: EUR 832K).
The total remaining contractual obligation amounted to EUR 19,257K (2015: EUR 20,220K).

3. Operation & Maintenance agreements of the project company. The agreements normally have a lifetime of 2-8 years from commencement of commercial operation with the option for renewal. As of 31st December 2016, the total yearly contractual obligation related to Operation &Maintenance agreements amounted to EUR 4,890K (2015: EUR 5,757K) . The total remaining contractual obligation amounted to EUR 10,034K (2015: EUR 13,390K) is primarily related to the renewal of Wind O&M agreements.

29. CONTINGENT ASSETS AND LIABILITIES

The claims against the Group concerning alleged breach of agreements or other non-contractual liabilities amount to EUR 514K (2015: EUR 770K) and are totally covered by provisions. The claims related to Discontinued Operations (2015: EUR 19K) are all settled.

As disclosed in the Annual Report 2015 (section Breakdown by Country – Italy), according to a Ministerial Decree of 2006, the owners of pv plants which were granted the very first Feed-In-Tariff (Conto Energia 1) should not have benefited from the adjustment for inflation on such tariff. From September 2016, the Group has started to reimburse on a monthly basis the excess payments received. Consequently, the related original provision of EUR 469K in 2015 has decreased to EUR 229K at year-end.

The payment request of EUR 500K concerning Discontinued Operations concerning an alleged breach of agreements on construction services was amicably settled and the related provision reversed.

The Group is part of a few cases with authorities and suppliers whose aggregated amount is considered non-significant and consequently not covered by a specific reserve.

In 2015, the Group has started two arbitration procedures under the Energy Charter Treaty against respectively the Republic of Italy and the Kingdom of Spain in order to claim damages generated by the changes in the renewable energy framework. Both procedures are ongoing.

The Parent is jointly taxed with the Danish subsidiaries. The Parent Company, as the administrative company, together with the Danish subsidiaries, has joint and several unlimited liability for Danish corporation taxes. At 31 December 2016, the jointly taxed companies'net liabilities to SKAT (tax authorities) amounted to EUR 170K (2014: EUR 5K). Any subsequent corrections of the taxable income subject to joint taxation may entail that the Company's liability will increase.

30. FINANCIAL INSTRUMENTS

Accounting policy

Financial assets

Financial assets within the scope of IAS 39 are classified, as appropriate, as: financial assets at fair value through Income Statement, loans and receivables, held to- maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus, in the case of investments not at fair value through Income Statement, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group financial assets include cash and short-term deposits, trade and other receivables, loan and other receivables, quoted and unquoted financial instruments, and derivative financial instruments.

- Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

Derivatives
Derivative financial instruments are recognized at fair value at the transaction date in the Balance Sheet items fair value of derivatives in assets or equity and liabilities. Changes in the fair value of derivative financial instruments classified as hedging of expected future transactions are recognized in other comprehensive income and accumulated in reserves for hedging instruments in equity. Any amounts
deferred in equity are transferred to the income statement in the period in which the hedged item affects the Income Statement. Changes in the fair value of derivative financial instruments which do not meet the criteria of hedge accounting are recognised in financial income or financial expenses in the Income Statement.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Income Statement.
The losses arising from impairment are recognized in the Income Statement in finance costs.

Fair value of financial instruments
The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.
For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same and discounted cash flow analysis.

Credit risk
The Group is subject to credit risk with respect to receivables (see Notes 18 and 19) and bank deposits.
The maximum credit risk corresponds to the carrying amount. Outstanding receivables are regularly followed up by the Company. If uncertainty arises in respect of the customer's ability or willingness to pay a receivable, usually because payment is not made in accordance with the payment conditions, in case of bankruptcy or suspension of payments, and the Group finds that the claim therefore involves a risk, an impairment writedown is made to cover this risk. In 2016, the Group has not made any impairment write-downs on receivables (2015: EUR 0K).

The interest rate hedge agreements have been concluded with banks with at least a B rating from Moody's. The Group's distributable cash holdings and deposits in accounts held as collateral at 31 December 2016 were generally deposited with credit institutions that grant project financing to the Group. Consequently, the Group has a net debt to these credit institutions and Management therefore estimates that there are no credit risks involved with these cash holdings. At 31 December 2016, the Group had deposited distributable cash holdings according to the Group Treasury Policy, primarily using credit institution with an A rating from Moody's. Therefore, the Management estimates that the credit risk associated with these deposits is acceptable in view of the Group's present financial position.

Overdue balance on trade receivables break down:

EUR'000

GROUP	0-30 days	31-60 days	61-90 days	91 - 180 days	>180 days	Total 2016
Receivables due, not impaired	-	-	-	-	-	-
Receivables due, impaired	-	-	-	-	200	200
Impairment loss	-	-	-	-	-200	-200
Impaired value	**-**	**-**	**-**	**-**	**-**	**-**
Transfer to held for sale	**-**	**-**	**-**	**-**	**-**	**-**

GROUP	0-30 days	31-60 days	61-90 days	91 - 180 days	>180 days	Total 2015
Receivables due, not impaired	-	-	-	-	-	-
Receivables due, impaired	-	-	-	-	200	200
Impairment loss	-	-	-	-	-200	-200
Impaired value	**-**	**-**	**-**	**-**	**-**	**-**
Transfer to held for sale	**72**	**76**	**37**	**619**	**1,235**	**2,039**

PARENT	0-30 days	31-60 days	61-90 days	91 - 180 days	>180 days	Total 2016
Receivables due, not impaired	-	-	-	-	-	-
Receivables due, impaired	-	-	-	-	200	200
Impairment loss	-	-	-	-	-200	-200
Impaired value	**-**	**-**	**-**	**-**	**-**	**-**

PARENT	0-30 days	31-60 days	61-90 days	91 - 180 days	>180 days	Total 2015
Receivables due, not impaired	-	-	-	-	-	-
Receivables due, impaired	-	-	-	-	200	200
Impairment loss	-	-	-	-	-200	-200
Impaired value	**-**	**-**	**-**	**-**	**-**	**-**

Liquidity risk (Group)

Loans raised for project financing have a maturity of up to 17 years. Other bank loans are renegotiated every year

MATURITIES 2015	0 - 1 years	1 - 4 years	>5 years -	Total*	Fair value **	Carryng amount
Measured at fair value						
Financial instruments***	7,198	9,680	2,336	19,214	19,214	19,214
Measured at amortised cost						
Credit institutions	56,740	78,872	82,484	218,096	180,584	180,584
Trade payables	3,272	-	-	3,272	3,272	3,272
Other non-current liabilities	-	869	3,809	4,678	4,678	4,678
Other payables	5,263	-	-	5,263	5,263	5,263
Total financial liabilities	**72,473**	**89,421**	**88,629**	**250,523**	**213,011**	**213,011**
Included in held for sale and discontinued operations	**1,266**	**-**	**-**	**1,266**	**1,266**	**1,266**
Cash	24,902	-	-	24,902	24,902	24,902
Deposits on account held as collateral	-	2,068	11,477	13,545	13,545	13,545
Loans to associates	786	-	7,971	8,757	8,757	8,757
Deposits	-	375	548	923	923	923
Other receivables	2,591	-	8,536	11,127	11,127	11,127
Trade receivables	14,647	-	-	14,647	14,647	14,647
Total financial asset	**42,926**	**2,443**	**28,532**	**73,901**	**73,901**	**73,901**
Included in held for sale and discontinued operations	**2,637**	**-**	**-**	**-1,371**	**-1,371**	**-1,371**
NET	**29,547 ******	**86,978**	**60,097**	**176,622**	**139,110**	**139,110**
Included in held for sale and discontinued operations	**-1,371**	**-**	**-**	**-1,371**	**-1,371**	**-1,371**

* All cash flows are undiscounted and comprise all obligations under agreements concluded, including future interest payments on loans.

** In all material aspects the financial liabilities are subject to a variable interest rate. Any interest rate hedges are separately accounted for at fair value. Thus the fair value of the financial liabilities is considered equal to the booked value.

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**** After the regulatory changes occurred in 2015 that have negatively affected our assets in Italy, the off-taker has also started to delay the payment of the tariff to the producers. At end of 2015, this has impacted our Group: the delay in the payment of our invoices of November and December has created a temporary discrepancy in the operating cash accounts of De Stern 12 solar plant for a total amount of 700,000€, that was cashed in only mid-January 2016. As a result of this unexpected temporary discrepancy, the Debt Service Coverage Ratio as at December 31st 2015 was 0.89 instead of 1.05, as per financing agreement. Since we have obtained a waiwer from the banks after the balance sheet date, in accordance with IAS 1 (paragraph 74), we have reclassified the outstanding debt and the related fair value of the hedging reserve in the "Current portion of long-term bank debt" for a total of EUR 26M. These items have been reclassified in the "Non-current liabilities" in the Firt Half Report of 2016.

Categories of financial instruments

Financial assets and liabilities at fair value are related to interest rates swaps all of which has been valued using a valuation technique with market observable inputs (level 2).

The Group enters into derivative financial instruments with financial institutions. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate forward contracts.

The most frequently applied valuation techniques include forward pricing models using present value calculations. The models incorporate various inputs including the credit quality of counterparties and interest SWAP.

All derivative contracts are fully cash collateralized, thereby eliminating both counterparty and the Group's own nonperformance risk.

MATURITIES 2016	0 - 1 years	1 - 4 years	>5 years -	Total*	Fair value **	Carryng amount
Measured at fair value						
Financial instruments***	8,683	10,464	2,815	21,962	21,962	21,962
Measured at amortised cost						
Credit institutions	62,334	81,257	77,468	221,059	184,100	184,100
Trade payables	2,936	-	-	2,936	2,936	2,936
Other non-current liabilities	-	820	6,820	7,640	7,640	7,640
Other payables	4,168	-	-	4,168	4,168	4,168
Total financial liabilities	**78,121**	**92,541**	**87,103**	**257,765**	**220,806**	**220,806**
Included in held for sale and discontinued operations	**1,887**	**-**	**-**	**1,887**	**1,887**	**1,887**
Cash	30,344	-	-	30,344	30,344	30,344
Deposits on account held as collateral	-	1,352	13,349	14,701	14,701	14,701
Loans to associates	98	-	4,468	4,566	4,566	4,566
Deposits	-	307	602	909	909	909
Other receivables	1,272	-	5,431	6,703	6,703	6,703
Trade receivables	15,402	-	-	15,402	15,402	15,402
Total financial asset	**47,116**	**1,659**	**23,850**	**72,625**	**72,625**	**72,625**
Included in held for sale and discontinued operations	**1,865**	**-**	**-**	**1,865**	**1,865**	**1,865**
NET	**31,005 ******	**90,882**	**63,253**	**185,140**	**148,181**	**148,181**
Included in held for sale and discontinued operations	**22**	**-**	**-**	**22**	**22**	**22**

* All cash flows are undiscounted and comprise all obligations under agreements concluded, including future interest payments on loans.

** In all material aspects the financial liabilities are subject to a variable interest rate. Any interest rate hedges are separately accounted for at fair value. Thus the fair value of the financial liabilities is considered equal to the booked value.

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**** After the regulatory changes occurred in 2013 that have negatively affected our assets in Spain, the off-taker has also started to delay the payment of the tariff to the producers. At end of 2016, this has impacted our Group: the delay in the payment of the FiT has created a temporary discrepancy in the operating cash accounts of La Castilleja Solar Plant for a total amount of EUR 500K. As a result of this temporary discrepancy, the Debt Service Coverage Ratio as at December 31st 2016 was 1.03 instead of 1.05, as per financing agreement. Since we have obtained a waiwer from the banks after the balance sheet date, in accordance with IAS 1 (paragraph 74), we have reclassified the outstanding debt and the related fair value of the hedging reserve in the "Current portion of long-term bank debt" for a total of EUR 39.7M. These items will be reclassified in the "Non-current liabilities" in the Half-year Report of 2017.

The net cash outflow of EUR 31,005K (2015: 29,547K) can be fully covered by the current operating profit and through credit facilities and refinancing.

GROUP	2016	2015
Unutilised credit facilities	6.949	6.248
Unutilised overdraft facilities	-	-
Transfer to held for sale and discontinued operations	**500**	**500**

Cash and Cash equivalent include cash available for the holdings 13.8M (2015: EUR 13.6M) and the project companies EUR 16.5M (2015: 11.3M).

Liquidity risk (Parent company)

The Parent company's financial resources consist of bank loans, including project financing. Loans raised for project financing have a maturity of up to 5 years.

MATURITIES 2015	0 - 1 years	1 - 4 years	5 years -	Total*	Fair value **	Carryng amount
Measured at amortised cost						
Credit institutions	210	-	-	210	201	201
Trade payables	67	-	-	67	67	67
Other non-current liabilities	-	-	283	283	283	283
Other payables	2,140	-	-	2,140	2,140	2,140
Total financial liabilities	**2,417**	**-**	**283**	**2,700**	**2,691**	**2,691**
Cash	5,387	-	-	5,387	5,387	5,387
Deposits on account held as collateral	-	458	-	458	458	458
Loans to subsidiaries	-	-	16,948	16,948	16,948	16,948
Loans to associates	-	-	8,023	8,023	8,023	8,023
Deposits	-	5	-	5	5	5
Other receivables	-	-	29	29	29	29
Trade receivables	106	-	-	106	106	106
Total financial asset	**5,493**	**463**	**25,000**	**30,956**	**30,956**	**30,956**
NET	**-3,076**	**-463**	**-24,717**	**-28,256**	**-28,265**	**-28,265**

* All cash flows are undiscounted and comprise all obligations under agreements concluded, including future interest payments on loans.
** In all material aspects the financial liabilitties are subject to a variable interest rate. Any interest rate hedges are separately accounted for at fair value. Thus the fair value of the financial liabilities is considered equal to the booked value.

MATURITIES 2016	0 - 1 years	1 - 4 years	5 years -	Total*	Fair value **	Carryng amount
Measured at amortised cost						
Credit institutions	-	-	-	-	-	-
Trade payables	177	-	-	177	177	177
Other non-current liabilities	-	-	291	291	291	291
Other payables	469	-	-	469	469	469
Total financial liabilities	**646**	**-**	**291**	**937**	**937**	**937**
Cash	7.405	-	-	7.405	7.405	7.405
Deposits on account held as collateral	-	388	-	388	388	388
Loans to subsidiaries	-	-	18.786	18.786	18.786	18.786
Loans to associates	-	-	4.468	4.468	4.468	4.468
Deposits	-	5	-	5	5	5
Other receivables	-	5.400	29	5.429	5.429	5.429
Trade receivables	107	-	-	107	107	107
Total financial asset	**7.512**	**5.793**	**23.283**	**36.588**	**36.588**	**36.588**
NET	**-6.866**	**-5.793**	**-22.992**	**-35.651**	**-35.651**	**-35.651**

* All cash flows are undiscounted and comprise all obligations under agreements concluded, including future interest payments on loans.
** In all material aspects the financial liabilitties are subject to a variable interest rate. Any interest rate hedges are separately accounted for at fair value. Thus the fair value of the financial liabilities is considered equal to the booked value.

PARENT	2016	2015
Unutilised credit facilities	2.000	1.454
Unutilised overdraft facilities	-	-

The cash outflow can be fully covered by the current operating profit and through drawings on credit facilities and refinancing.

Market risk

Currency risks

The Group's foreign entities are not affected by currency fluctuations, as loans are raised in the functional currency.

The consolidated income statement is affected by changes in exchange rates, because profits/losses of the Parent company and some of the foreign group enterprises are translated into euro using average exchange rates.

The Group's and the Parent company's currency risks are not hedged. Please see the risk management section in Note 3 for further information about currency risks.

Interest rate risks

In principle the interest-bearing financial liabilities of the Group carry floating interest rates, but the interest exposure is to a wide extent reduced through hedging instruments. See Note 24. An interest rate change of 1% would impact the financial results by an amount of approximately EUR 0.9M (2015: EUR 1.1M) and a corresponding impact on equity. The change in sensitivity relative to last year is due to a substantial change in the Company's cash resources following the investments made.

Since in 2016 the Parent Company has totally reimbursed the loan to the Credit Institutions, there are no interest on the financial liabilities.

The above-mentioned sensitivity analyses were made under the assumption that all other factors remain constant.
Please see the risk management section (Note 3) for further information about interest rate risks.

Capital management

The Group and the Parent company consider the combined equity as capital. The Group pursues a policy of re-investing earnings in the Company. The Company and the Group have defined a target that equity should at least represent 20% of total assets. For the 2016 financial year, equity represented a higher proportion than the 20%. The Group and the Parent company are not in general governed by any external requirements on the size of the capital. However, with respect to the project financing agreements concluded, a minimum equity of 25% is required in the project companies.

31. OPERATING AND FINANCIAL LEASES

Accounting policy

Leases in which the Company retains all significant risks and rewards of ownership (finance leases) are recognized in the Balance Sheet at the lowest of the asset's fair value and the present value of the minimum lease payments, calculated using the implicit interest of the lease as the discount factor, or an approximate value. Assets held under finance leases are depreciated and tested for impairment according to the same accounting policy as the Company's other long-term assets.

The capitalized residual lease liability is recognized in the Balance Sheet as a liability, and the interest element of the lease payment is charged to the Income Statement when incurred.

All other leases are considered operating leases. Payments in connection with operating leases are recognized in the Income Statement over the terms of the leases.

Operating lease commitments	GROUP		PARENT COMPANY	
EUR'000	2016	2015	2016	2015
Payments for non-terminable operating leases:				
0-1 years	1,692	1,602	35	62
1-5 years	6,121	6,029	33	59
> 5 years	17,776	16,243	85	93
TOTAL	**25,589**	**23,874**	**152**	**214**
Transfer to held for sale and discontinued operations	**-**	**48**	**-**	**-**

The Group has operating leases on land, offices, cars and copier. The lease term is typically between three and seven years with an option to extend on expiry on ordinary terms.
No conditional lease payments are payable under the leases. This includes a non-terminable rent obligation for 60 months from the balance sheet date.

An amount of EUR 1,665K (2015: EUR 1,627K) relating to operating leases has been recognised in the consolidated income statement for 2016. An amount of EUR 45K (2015: EUR 74K) relating to operating leases has been recognised in the Parent company's income statement for 2016.

Finance lease and hire purchase commitments

The Group has finance leases and hire purchase contracts for items of plants. These leases have terms of renewal, but no purchase options and escalation clauses. Renewals are at the option of the specific entity holds the lease.

Future minimum lease payments under financial leases and hire purchase contracts together with the present value of the net minimum lease payment are as follows:

Financial leasing	2016		2015	
EUR'000	Minimum payments	Present value of payments	Minimum payments	Present value of payments
0-1 years	3,455	2,294	3,188	1,947
1-5 years	12,079	8,309	12,075	7,945
> 5 years	18,857	16,268	21,842	18,451
Total minimum lease payments	34,391	26,871	37,105	28,343
Less amounts representing finance charges	-7,520	-	-8,762	-
Total	**26,871**	**26,871**	**28,343**	**28,343**
Transfer to held for sale and discontinued operations	**-**	**-**	**-**	**-**

For more details on Financial lease, please refer to Notes 24 and 30.

32. RELATED PARTIES

The major shareholder of Greentech Energy systems A/S, GWM Renewable Energy II S.r.l., has controlling influence on the Company.

Greentech's related parties comprise the Company's Board of Directors and Management as well as relatives of these persons. Related parties also comprise companies in which the individuals mentioned above have material interests.

Related parties furthermore comprise subsidiaries and associates in which Greentech has a controlling or significant influence, see Note 13 and Note 36.

Related party transactions

Information on trading with related parties is provided below:

	GROUP		PARENT COMPANY	
EUR'000	2016	2015	2016	2015
Sale of services to group companies	-	-	192	477
Sale of services to associates	-	42	-	-
Sale of services to controlling parties	317	73	-	-
Purchase of services from management member (GWM Renewable Energy) (management fee)	-	-	589	376

Transactions with subsidiaries have been eliminated in the consolidated financial statements in accordance with the accounting policies.

The Group and Parent company's balances with group enterprises and associates at 31 December 2016 are specified in the notes to the balance sheet.
Interest income, dividends and interest expenses relating to group companies are shown in Notes 7 and 8.

In 2016, the Parent Company granted loans to subsidiaries and associates, which are shown in the cash flow statement. In addition, there have been capital increases in subsidiaries, which are described in Note 12, 13, 15 and 25.
The transactions were made according to market conditions.

For information on remuneration to the Management and Board of Directors, see Note 5.

33. EXCHANGE RATES

	AVERAGE EXCHANGE RATE		YEAR-END EXCHANGE RATE	
	2016	2015	2016	2015
DKK / EUR	13,43	13,41	13,45	13,40
PLN / EUR	22,90	23,85	22,50	23,58

34. BUSINESS COMBINATION

Accounting policy

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Goodwill is initially measured at cost being the excess of the consideration transferred over the Group net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in Income Statement as a gain from a bargain purchase. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units. Goodwill is tested for impairment at year end or more frequently when impairment indicators are identified.

Material accounting estimates and assessments

The application of the acquisition method requires certain estimates and assumptions especially concerning the acquisition method of the fair value of acquired intangible assets and property, plant and equipment as well as liabilities assumed at the date of the acquisition. Moreover, the useful life of the acquired intangible assets, property, plant and equipment have to be determined. The judgments made in the context of the purchase price allocation can materially impact future results. The valuations are based on information available at the acquisition date. Such information may be incomplete or inaccurate, and unexpected events or circumstances may occur. This may cause actual results to deviate from estimates. For additional information on the assumptions and estimates.

Acquisition of the remaining 50% stake of la Castilleja solar plant (Global Litator Group).

Pursuant to the agreement signed on December 20 2016, Greentech has completed the acquisition of the remaining stake (50%) of La Castilleja solar plant. The total purchase price amounted to EUR 3,75M composed by the price paid to the seller of EUR 3.7M and transaction costs of EUR 50k which have been expensed.

According to IFRS 3, the total assets and liabilities were recognised at their fair value, based on an assesment made by an external advisor.

The book value of Property, plant and equipment amounting to EUR 37.2M has been adjusted for EUR 9.2M based on the potential future capacity of generating cash-flow by the plant. The remaining additional fair value of EUR 3M has been allocated to Intangible assets, originally booked at EUR 0.8M and mainly composed of the authorization.

The fair value of the trade receivables amounts to EUR 1.9M. However, none of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

No additional contingent liabilities have been recognised a part from the provisions already accrued in the original Balance Sheet of La Castilleja for EUR 2.9M.

Relating to the financial liabilities, in accordance to the requirements of IAS 39, the derivative financial instruments are recognized at fair value at the transaction date in the Balance Sheet items: fair value of derivatives in liabilities for EUR 4.6M and in cash flow reserve for EUR 3.5M.
The transaction generated a gain from a bargain purchase of EUR 3.7M totally recognized in the Tangible assets. In fact, Greentech averaged down the original cost of its investment benefiting from the need of the co-shareholder to divest the plant due to its exiting from Spain.

If the plant was fully consolidated as of January 1 2016, the Revenue of Greentech would have been EUR 53M, the EBITDA level EUR 36M and the Profit Before Tax EUR 13M.

Business Combination	FAIR VALUE (post-PPA)
EUR'000	**2016**
Intangible assets	3,932
Property, plant and equipment	46,340
Non Current Assets	5,398
Current Assets	4,677
ASSETS	**60,347**
Financial Liabilities	43,597
Deferred tax Liabilities	191
Provisions	2,924
Other Liabilities	773
LIABILITIES	**47,485**
NET ASSETS	**12,862**
Non-Controlling Interest	-
Fair value of 50% share*	5,390
Gain from a bargain purchase	3,722
Purchase Price	**3,750**
Net cash acquired with the subsidiary	2,703
Net cash flow on acquisition	**1,047**

* Refer to Note 13.

In 2015 no business combination has been made.

35. COMPANIES IN THE GREENTECH ENERGY SYSTEMS GROUP

NAME	Reg. office	Ownership 2016	Ownership 2015
Subsidiaries			
Gehlenberg ApS	Denmark	100%	100%
VE 5 ApS	Denmark	100%	100%
VE 7 ApS	Denmark	100%	100%
VEI 1 A/S	Denmark	100%	100%
Windpark Gehlenberg ApS (Dänisches Recht) Co. KG	Germany	100%	100%
AB Energia Srl	Italy	100%	100%
Bosco Solar Srl	Italy	100%	100%
Cerveteri Energia S.r.l.	Italy	100%	100%
De Stern 12 Srl	Italy	100%	100%
Energia Alternativa Srl.	Italy	100%	100%
Energia Verde Srl.	Italy	100%	100%
Epre S.r.l.	Italy	100%	100%
Greentech Energy Systems Italia Srl.	Italy	100%	100%
Giova Solar Srl	Italy	100%	100%
GP Energia S.r.l.	Italy	100%	100%
Gruppo Zilio S.p.A. **)	Italy	100%	100%
GWM Renewable Energy S.p.A.	Italy	100%	100%
GZ Ambiente S.r.l.	Italy	100%	100%
Lux Solar Srl	Italy	100%	100%
MG Energia S.r.l.	Italy	100%	100%
Minerva Messina Srl.	Italy	100%	100%
Solar Prometheus Srl	Italy	100%	100%
Solar Utility Salento Srl	Italy	100%	100%
South Wind 1 Srl. ***)	Italy	-	100%
South Wind 2 Srl. ***)	Italy	-	100%
Valle Solar Srl	Italy	100%	100%
Zilio Solar Srl.	Italy	100%	90%
Eolica Polczyno Sp. z o.o.	Poland	100%	100%
Greentech Energy Systems Polska Sp. z o.o.	Poland	100%	100%
Wiatropol Puck Sp. z o.o. *****)	Poland	100%	100%
Wiatropol Smolecin Sp. z o.o. *)	Poland	-	100%
Wiatropol Ustka Sp. z o.o. *)	Poland	-	100%
Wiatropol Parnowo Sp. z o.o. *)	Poland	-	100%
Gruppo Zilio d.o.o. **)	Serbia	-	90%
Fotocampillos SL 1 ****)	Spain	-	100%
Fotocampillos SL 2 ****)	Spain	-	100%
Fotocampillos SL 3 ****)	Spain	-	100%

NAME	Reg. office	Ownership 2016	Ownership 2015
Subsidiaries			
Fotocampillos SL 4 ****)	Spain	-	100%
Fotocampillos SL 5 ****)	Spain	-	100%
Fotocampillos SL 6 ****)	Spain	-	100%
Fotocampillos SL 7 ****)	Spain	-	100%
Fotocampillos SL 8 ****)	Spain	-	100%
Fotocampillos SL 9 ****)	Spain	-	100%
Fotocampillos SL 10 ****)	Spain	-	100%
Fotocampillos SL 11 ****)	Spain	-	100%
Fotocampillos SL 12 ****)	Spain	-	100%
Fotocampillos SL 13 ****)	Spain	-	100%
Fotocampillos SL 14 ****)	Spain	-	100%
Fotocampillos SL 15 ****)	Spain	-	100%
Fotocampillos SL 16 ****)	Spain	-	100%
Fotocampillos SL 17 ****)	Spain	-	100%
Fotocampillos SL 18 ****)	Spain	-	100%
Global Hantu S.L.	Spain	100%	100%
Global Onega S.L.	Spain	100%	100%
Planeta Verde Alternativo S.L.	Spain	100%	100%
Respeto al Medio Ambiente S.L.	Spain	100%	100%
Sisteme Energetics Conesa S.L.	Spain	100%	100%
GWM RE Spain S.L.	Spain	100%	100%
Lux Sol de Malaga S.L. ****)	Spain	-	100%
Global Litator S.L. ******)	Spain	100%	-
La Castilleja Energia S.L.U. ******)	Spain	100%	-
Joint ventures			
Greentech Monte Grighine S.r.l.	Italy	50%	50%
Global Litator S.L. ******)	Spain	-	50.03%
La Castilleja Energia S.L.U. ******)	Spain	-	50.03%
Associates			
Parco Eolico Pugliese S.r.l. ***)	Italy	-	50%

*) In March 2016, the Group has sold the Polish Wind Plant, previously classified as Held for Sale.
**) The Companies have been transferred to assets and liabilities classified as discontinued operation. At the beginning of 2017 the Group has disposed the entirety of the Environment Division.
***) The Companies have been liquidated in the end of 2016.
****) In September 2016 the Group has sold the Fotocampillos Solar Plants
*****) The Company will be liquidated in 2017
******) In the end of 2016, the Group completed the acquisition of the remaining 50% stake of Global Litator and La Castilleja solar plant from its co-shareholder Foresight Group. The investments have been classified from Joint Ventures to Investments in subsidiaries.

Not audited or reviewed by the independent auditor.

HALF-YEAR INFORMATION

	2016		
EUR'000	**HI 2016**	**HII 2016 UNAUDITED**	**YTD 2016**
Statement of Profit & Loss			
Revenue	25,270	21,316	46,586
EBITDA	19,164	11,247	30,411
Operating profit/loss (EBIT)	12,611	9,169	21,780
Profit/loss before tax	7,093	6,165	13,258
Profit/loss for the year from continuing operations	5,592	5,807	11,399
Profit/loss for the year from discontinuing operations	-1,107	-4,757	-5,864
Profit/loss for the year	**4,485**	**1,050**	**5,535**
Comprehensive income for the period	**3,279**	**3,311**	**6,590**

	2015		
EUR'000	**HI 2015**	**HII 2015 UNAUDITED**	**YTD 2015**
Statement of Profit & Loss			
Revenue	26,753	20,568	47,321
EBITDA	17,811	11,530	29,341
Operating profit/loss (EBIT)	10,279	7,305	17,584
Profit/loss before tax	5,067	2,312	7,379
Profit/loss for the year from continuing operations	3,002	1,290	4,292
Profit/loss for the year from discontinuing operations	-481	-2,467	-2,948
Profit/loss for the year	**2,521**	**-1,177**	**1,344**
Comprehensive income for the period	**4,403**	**-1,692**	**2,711**

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Company Details

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Luca Rovati, Deputy Chairman
Michèle Bellon
Valerio Andreoli Bonazzi
Jean-Marc Janailhac

Management

Alessandro Reitelli, CEO
Francesco Vittori, CFO

Auditors

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Annual General Meeting

The Annual General Meeting will be held on 26 April 2017 at 3.00 pm. at Copenhagen Marriott Hotel,
Kalvebod Brygge 5, 1560,
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